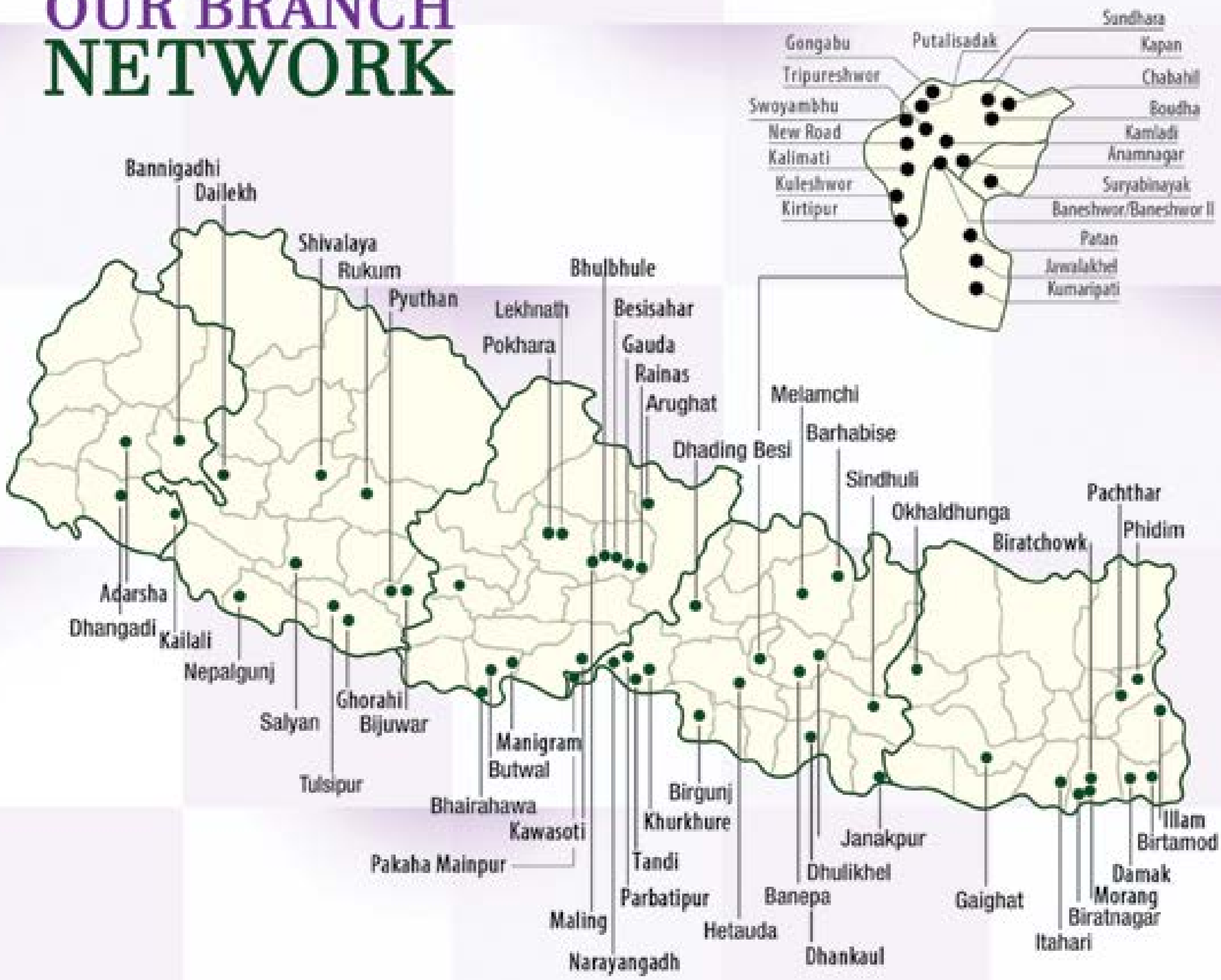
सिभिल बैंक लिमिटेड

२०७३/२०७४ र २०७४/२०७५
वार्षिक प्रतिवेदन

ANNUAL REPORT
2016/2017 & 2017/18

सिभिल बैंक लिमिटेड
CIVIL BANK LTD.

OUR BRANCH NETWORK



Head Office/ Main Branch; Civil Trade Center, Kathmandu,
P.O. Box: 9799; Tel No: 4251015, 4251087, Fax No: 4251036

INSIDE VALLEY BRANCHES

- Tripureshwor : 01-4249503/4216482
- New Road : 01-4232291/92
- Mid-Baneshwor : 01-4104269/70
- New-Baneshwor : 01-4782010/4786946
- Gongabu : 01-4020112/13
- Anamnagar : 015705019/015706215
- Kuleshwor : 01-4289524/4671916
- Swayambhu : 01-4670448/49
- Patan : 01-5547932/5548682
- Kirtipur : 01-4334458/67
- Boudha : 01-4917410/11
- Kalimati : 01-4289406/07
- Kapan : 01-4823825/26
- Jawalakhel : 01-5009147/93
- Chabahil : 01-4499300/4490028
- Suryabinayak : 01-6619544/45
- Kumaripati : 01-5008621/22
- Putalisadak : 01-4440955/56/58
- Kamaladi : 014169040/014169033

OUTSIDE VALLEY BRANCHES

- Birgunj : 051-529943/59
- Biratnagar : 021-521981/84
- Pokhara : 061-539767/68
- Lekhnath : 061-560251/52
- Bhairahawa : 071-521161/62
- Nepalgunj : 081-525578/79/80
- Kawasoti : 078-540770
- Hetauda : 057-526901/902
- Kailali : 091500093 (Janaki Branch)
- Dailekh : 9848245644 (Bhairabi Branch)
- Besisahar : 066-521433/434/435
- Pakaha Mainpur : 9808041025
- Manigram : 071-562673/74/75
- Birtamod : 023-545405/06
- Dhading Besi : 010-521068/984144147
- Banepa : 011-660383/84/85
- Barhabise : 011-489283/489284
- Melamchi : 011-401055
- Dhulikhel : 011-490847/49
- Arughat : 061-622688/064-410102
- Shivalaya : 9811676517
- Morang : 021-433017/18/19 (Sunbarshi Branch)
- Dhankaul : 9808715867
- Narayangadh : 056-570029/39
- Dhangadi : 091-417699/6799
- Khurkhure : 056-419191/092
- Parbatipur : 056-591515/591774
- Sindhuli : 047-521081
- Phidim : 024-520788/988
- Bijuwar : 086-460506
- Gaighat : 035-421384
- Panchthar : 9751099817 (Hilihang Branch)
- Adarsha : 9751099960
- Bannigadhi : 9751099958
- Tandi : 056-560380
- Janakpur: 041-530320/21
- Tulsipur : 082-523197
- Ghorahi : 082-563153/54
- Rainas : 9751027422
- Bhulbhule : 9751026422
- Maling : 9751028422/9849083349
- Gauda : 9751025422
- Panchthar : 024-410059/60 (Yangbwarak Branch)
- Butwal : 071-550564/65
- Okhaldhunga : 037-520615/16
- Biratchowk : 021-545704/705
- Illam : 027-411060/61(Maijogmai Branch)
- Itahari : 025-587186/209
- Salyan : 088-400178/79 (Musikot Branch)
- Rukum : 088-530305/9847865062
- Damak : 023-582794/795/796
- Besisahar : 066-521433/34/35
- Pyuthan : 9845107958(Mandevi Branch)

UPCOMING BRANCHES

- Dhalkebar, Mithila, Dhanusha
- Lahan, Siraha
- Dhangadhimai, Siraha
- Arjundhara, Shani Arjun, Jhapa
- Surunga, Jhapa
- Rabi, Miklajung, Panchthar
- Golbazar, Sirha
- Garuda, Rautahat
- Chhinchu, Surkhet
- Dharche, Gorkha
- Mahagadhimai, Bara
- Sitalabazar, Bardiya
- Lamkichuha, Kailali
- Bhajani, Kailali
- Thakurbaba, Bardiya
- Daubahal, Patan, Lalitpur
- Urlabari, Morang
- Duhabi, Morang
- Lalmatiya, Dang
- Dudhe, Shivasatakshi, Siraha
- Birendranagar, Surkhet
- Dhankaul, Sarlahi
- Kohalpur, Banke

- Extension Counter : Bhairahawa (Gautam Buddha International Airport) : 071-521161/62

सिभिल बैंक लिमिटेडको
सातौं र आठौं वार्षिक साधारण सभा सम्बन्धी
सूचना

यस बैंकको मिति २०७६/०१/०२ गते बसेको संचालक समितिको २७१ औं बैठकको निर्णयानुसार बैंकको सातौं र आठौं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा देहायका विषयहरु उपर छलफल गरी निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ बमोजिम शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ। सम्पूर्ण शेयरधनी महानुभावहरुलाई उल्लेखित मिति, स्थान र समयमा उपस्थितिको लागि हार्दिक अनुरोध गर्दछु।

सभा हुने मिति, स्थान र समय :

सभा हुने मिति : २०७६ साल बैशाख महिना २७ गते (तदनुसार १० मे, २०१९) शुक्रवार।
स्थान : अमृतभोग, कालिकास्थान डिल्लीबजार, काठमाडौं
समय : विहान ११.०० बजे।

वार्षिक साधारण सभाको छलफलको विषयहरू :

(क) साधारण प्रस्तावहरु:

१. अध्यक्षज्यूको प्रतिवेदन सहित संचालक समितिको वार्षिक प्रतिवेदन २०७३/०७४ र २०७४/०७५ पारित गर्ने।
२. आर्थिक वर्ष २०७३/०७४ र २०७४/०७५ को लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफानोक्सान हिसाव तथा नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरुमा छलफल गरी पारित गर्ने।
३. कम्पनी ऐन, २०६३ दफा ११३ अनुसार आर्थिक वर्ष २०७४/०७५ को लागि नियुक्त लेखापरीक्षक तथा निजको पारिश्रमिक अनुमोदन गर्ने।
४. कम्पनी ऐन, २०६३ दफा १११ अनुसार आर्थिक वर्ष २०७५/०७६ को लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने।
५. संचालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७३/०७४ को मुनाफाबाट प्रतिशेयर ०.५४% का दरले हुन आउने रु. ३,९१,६२,०६९।०६ (अक्षरेपी तीन करोड एकानब्बे लाख बैसट्ठी हजार उनन्सतरी रुपैयाँ छ पैसा मात्र) (कर प्रयोजनको) लागि नगद लाभांश वितरण गर्न स्वीकृत गर्ने।
६. संचालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७४/०७५ को मुनाफाबाट प्रतिशेयर ४.०५% का दरले हुन आउने रु.२९,४०,०२,०६९।६५ (अक्षरेपी उन्नतिस करोड चालीस लाख दुई हजार उनानसत्तरी रुपैयाँ पैसट्ठी पैसा मात्र) नगद लाभांश वितरण गर्न स्वीकृत गर्ने।
७. बैंकको संस्थापक शेयरधनीहरुको तर्फबाट प्रतिनिधित्व गर्नुहुने ३ जना र सर्वसाधारण शेयरधनीहरुको तर्फबाट प्रतिनिधित्व गर्नुहुने ३ जना गरी जम्मा ६ जना संचालकको लागि निर्वाचन गर्ने ।

(ख) विशेष प्रस्तावहरु :

१. संचालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७३/०७४ को मुनाफाबाट बैंकको चुक्ता पूँजीको १०.२५% का दरले हुन आउने रु. ७४,४०,७९,३१२।०८ (अक्षरेपी चौहत्तर करोड चालीस लाख उनासी हजार तीन सय बाह्र रुपैयाँ आठ पैसा मात्र) बराबरको बोनस शेयर वितरण गर्न स्वीकृत गर्ने।
२. बैंकको प्रबन्धपत्र तथा नियमावलिमा संशोधनको गर्ने।

(क) बैंकको प्रबन्धपत्र संशोधन गर्ने।
(क-१) बैंकको उद्देश्य प्राप्त गर्न गरिने कामहरु (दफा ५, दफा ५ (च) देखि (ज्ञ) सम्म)
(क-२) बैंकको जारी पूँजी तथा चुक्ता पूँजी बृद्धि गर्ने (दफा ६ ख र ग)।
(क-३) संस्थापक शेयर बिक्री वा धितोबन्धक सम्बन्धी व्यवस्था (दफा ७ ग)।

(ख) बैंकको नियमावलीमा संशोधन गर्ने।
(ख-१) संस्थापकले लिनुपर्ने शेयर (नियम १०) ।
(ख-२) संचालक समितिको गठन, संख्या तथा कार्यकाल सम्बन्धमा (नियम २७ (१,२,३)।
(ख-३) स्वतन्त्र संचालक नियुक्ती , कार्यकाल तथा योग्यता सम्बन्धमा (नियम २९)।
(ख-४) संचालक पुनः नियुक्त हुन सक्ने वा नसक्ने सम्बन्धमा (नियम ३०)।
(ख-५) संचालक नियुक्ती सम्बन्धी कुनै खास व्यवस्था गर्ने भए सो कुरा खुलाउने (नियम ३१)।
(ख-६) समितिको बैठक सम्बन्धी कार्यविधि (नियम ३८(१)।
(ख-७) लेखा परीक्षण सम्बन्धी व्यवस्था (नियम ४१(१)।
(ख-८) कुनै खास व्यवसाय गर्ने सम्बन्धी व्यवस्था (नियम ४९(३)।

३. बैंकको प्रबन्धपत्र तथा नियमावलीको बिभिन्न दफा तथा नियमहरुमा रहेको " बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३" लाई " बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३" गरी संशोधनको गर्ने।
४. बैंकको प्रबन्धपत्र तथा नियमावलीको संशोधनको सम्बन्धमा नियमनकारी निकायहरुबाट, संशोधन, परिमार्जन तथा थपघट गर्न कुनै निर्देशन प्राप्त भएमा प्राप्त निर्देशन बमोजिम सो समेत मिलाई संशोधन वा परिमार्जन समेतका सम्पूर्ण कार्यहरु गर्न बैंक संचालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने सम्बन्धमा।
५. सिभिल बैंक लिमिटेड र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिन (मर्जर) वा प्राप्ति (एक्विजिसन) गर्न/हुन वा स्वदेशी/विदेशी रणनीतिक साझेदारीमा जान आवश्यक सहमती र सम्झौता लगायतका आवश्यक सम्पूर्ण कार्यहरु गर्न/गराउन संचालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने।

(ग) विविध

पुनश्च : सभामा छलफल गरिने सञ्चालक समितिको वार्षिक प्रतिवेदन तथा लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाब, साधारण सभा सम्बन्धी जानकारी, प्रोक्सी फारम र प्रवेशपत्र यस बैंकको केन्द्रीय कार्यालय सुन्धारा, काठमाडौंमा वा बैंकको शेयर रजिष्ट्रार सिभिल क्यापिटल मार्केट लिमिटेड, सुन्धारा काठमाडौंमा आई निरीक्षण गर्न वा प्राप्त गर्न सकिनेछ। संक्षिप्त आर्थिक विवरण तथा वार्षिक प्रतिवेदन लगायत साधारण सभामा पेश हुने प्रस्तावहरु बैंकको website: www.civilbank.com.np बाट जानकारी प्राप्त गर्नु हुन सम्बन्धित शेयरधनीहरुमा अनुरोध छ।

सञ्चालक समितिको आज्ञाले,
हिरा काजी बस्नेत
कम्पनी सचिव

साधारण सभासम्बन्धी थप जानकारीहरू :

१. वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०७६।०१।१० गते देखि मिति २०७६।०१।२७ गतेसम्म बैंकको शेयरधनी दर्ता किताब बन्द रहनेछ। नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०७६।०१।०९ गतेसम्म कारोबार भई मिति २०७६।०१।१७ भित्र यस बैंकको शेयर रजिष्ट्रार सिभिल क्यापिटल मार्केट लिमिटेड, सुन्धारा काठमाडौंमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरुले सो सभामा भाग लिन, नगद लाभांश तथा बोनस शेयर पाउनेछन्।

२. प्रत्येक शेयरधनी महानुभावलाई शेयर लागतमा कायम रहेको ठेगानामा वार्षिक प्रतिवेदन पुस्तिका पठाइने छ। सभामा उपस्थित हुने शेयरधनीहरूलाई वार्षिक प्रतिवेदन पुस्तिका साथ संलग्न प्रवेशपत्र साथमा लिई आउनु हुन अनुरोध छ। शेयरधनी महानुभावले कुनै कारणवश वार्षिक प्रतिवेदन पुस्तिका नपाउनु भएमा आफ्नो शेयर प्रमाणपत्र वा आफ्नो परिचय स्पष्ट हुने किसिमको फोटो सहितको कुनै प्रमाण वा शेयर अभौतिकीकरण गरेको खाता (DMAT Account) को हकमा हितग्राही परिचय नम्बर (BOID) साथमा लिई सभामा भाग लिन आउनु हुन अनुरोध छ।

३. सभा हुने दिन सभामा उपस्थितिका लागि हाजिर पुस्तिका ९.०० बजे देखि २: ०० बजे सम्म खुल्ला रहनेछ। हजिरी जनाउनको लागि शेयरधनी महानुभावहरूले आफ्नो पचियपत्र वा सक्कल शेयर प्रमाणपत्र पेश गनुपर्ने छ भने आफ्नो शेयर प्रमाणपत्रहरु अभौतिकरण गराई सक्नुभएका शेयरधनी महानुभावहरुको हकमा DEMAT खाता नम्बर र सक्कल आधिकारिक परिचयपत्र अनिवार्य रुपमा प्रस्तुत गर्नुपर्नेछ।

४. शेयरधनीले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफु जुन समुहको शेयरधनी हो सोही समुहको शेयरधनीलाई मात्र प्रोक्सी दिन पाईनेछ।

५. प्रतिनिधि (प्रोक्सी) ले मतदान गर्न पाउने अधिकतम हद वा सीमा त्यस्तो शेयरधनीले लिन पाउने बैंकको अधिकतम शेयर हिस्साको सीमाभन्दा बढी हुने छैन।

६. प्रतिनिधिपत्र (प्रोक्सी फारम) सभा सुरु हुनभन्दा कम्तीमा ७२ घण्टा अगावै अर्थात मिति २०७६/०१/२४ गते ११.०० बजे भित्र संस्थापकको हकमा बैंकको केन्द्रीय कार्यालयमा दर्ता गरिसक्नु पर्नेछ।

७. शेयरधनीले एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन। यसरी दिइएको प्रोक्सी बदर हुनेछ।

८. एक जना शेयरधनीले एकभन्दा बढी शेयरधनीलाई प्रतिनिधि (प्रोक्सी) मुकरर गरेमा त्यस्तो प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ। तर, पहिला दिएको प्रतिनिधिपत्र (प्रोक्सी फाराम) बदर गरी पछि दिईएको प्रतिनिधिपत्रलाई मात्र मान्यता दिन अनुरोध गरी छुट्टै पत्र साथ प्रतिनिधिपत्र (प्रोक्सी फाराम) दर्ता गर्न ल्याएमा भने छुट्टै पत्र साथ प्राप्त पछिल्लो प्रतिनिधिपत्र (प्रोक्सी फाराम) लाई मान्यता दिईनेछ।

९. बुँदा नं. ८ बमोजिम नियुक्त गरेको प्रतिनिधिलाई बदर गरी अर्को प्रतिनिधि मुकरर गर्न चाहेमा सोको लिखित सूचना सभा हुनु भन्दा कम्तिमा ७२ घण्टा अगावै बैंकको केन्द्रीय कार्यालय सुन्धारा काठमाण्डौमा दर्ता गरिसक्नु पर्नेछ।

१०. प्रतिनिधि नियुक्त गरिसकेको शेयरधनी, सभाको काम कारबाही सुरु हुनुभन्दा अगावै आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा त्यस्तो शेयरधनीले दिएको प्रतिनिधि पत्र (प्रोक्सी फारम) स्वतः बदर हुनेछ।

११. बैंकको छाप र कम्पनी सचिवको दस्तखत भएको प्रतिनिधिपत्र (प्रोक्सी फारम) मात्र मान्य हुनेछ।

१२. कुनै संगठित संस्था वा कम्पनी शेयरधनीको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नु हुनेछ। यसरी प्रतिनिधि पठाउँदा बैंकलाई लिखितरुपमा जानकारी दिनुपर्नेछ।

१३. नाबालक वा अशक्त शेयरधनीहरुको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा मतदान गर्न वा प्रतिनिधि (प्रोक्सी) तोक्न सक्नुहुनेछ।

१४. यस बैंकको सञ्चालक निर्वाचनसम्बन्धी निर्देशिका, २०६८ को प्रतिलिपि शेयरधनी महानुभावहरुले बैंकको केन्द्रीय कार्यालयबाट रु. १,०००/- शुल्क तिरी प्राप्त गर्न सक्नुहुनेछ ।

१५. उपत्यका बाहिर तथा विदेशमा रही साधारण सभामा स्वयं उपस्थित हुन नसक्ने शेयरधनी महानुभावहरुले बैंकको वेवसाइट wwww.civilbank.com.np मा रहेको प्रोक्सी फारामलाई डाउनलोड गरी हस्ताक्षर गरी स्क्याण्ड कपी प्रोक्सी फाराम बैंकको info@civilbank.com.np मा पठाउन सक्नुहुनेछ ।

१६. शेयरधनी महानुभावहरुलाई सूचित गराउन सकियोस् भन्ने दृष्टिले कुनै शेयरधनी महानुभावहरुलाई बैंक सम्बन्धी केही जिज्ञासा भए छलफलको विषय सूची मध्ये विविध शिर्षक अन्तर्गत त्यस्तो जिज्ञासा लिखित रुपमा सभा हुनुभन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई बुझाउनु हुन अनुरोध छ। तर त्यस्ता जिज्ञासालाई छलफल र पारित हुने प्रस्तावको रुपमा समावेश गरिने छैन।

१७. समुह 'क' र समूह 'ख' दुबै समूहका संचालकको निर्वाचनसम्बन्धी विस्तृत जानकारीको लागि बैंकको रजिष्ट्रर्ड कार्यालय सुन्धारा स्थित निर्वाचन अधिकृको कार्यालयमा सम्पर्क राख्नहुन अनुरोध गरिन्छ।

१८. निर्वाचनसम्बन्धी कार्यक्रम निर्वाचन अधिकृतले तोके बमोजिम हुनेछ। निर्वाचनसम्बन्धी अन्य जानकारी तथा कार्यक्रमसम्बन्धी सूचना मिति २०७६।०१।१६ गतेको दिन बैंकको केन्द्रीय कार्यालयको सूचना पाटीमा टाँस गरिनेछ।

१९. साधारण सभा सम्बन्धि थप जानकारीको लागि बैंकको केन्द्रिय कार्यालयको फोन नं ०१-४२५१०१५, ४२५१०८७ वा बैंकको शेयर रजिष्ट्रारको कार्य गर्ने सिभिल क्यापिटल मार्केटस लिमिटेड, सुन्धारा काठमाण्डौमा सम्पर्क राख्न हुन अनुरोध छ।

प्रतिनिधिपत्र (प्रोक्सी फारम)

श्री सञ्चालक समिति
सिभिल बैंक लिमिटेड
कमलादी, काठमाण्डौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.... जिल्ला .... न.पा./गा.वि.स. वडा नं. .... बस्ने म/हामी .... ले त्यस बैंकको शेयरधनीको हैसियतले मिति २०७६/०१/२७ गते शुक्रबारका दिन हुने सातौ र आठौं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णय प्रक्रियामा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि .... जिल्ला .... न.पा./गा.वि.स. वडा नं. ..... बस्ने त्यस बैंकको शेयरधनी श्री .... लाई मेरो /हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु /छौं ।

प्रतिनिधिको
दस्तखत :
नाम :
शेयरधनी परिचय नं. :
हितग्राही(डिम्याट) खाता नं.:
मिति :

निवेदकको
दस्तखत :
नाम :
ठेगाना :
शेयरधनी परिचय नं. :
हितग्राही(डिम्याट) खाता नं.:
शेयर संख्या :
मिति :

कम्पनी सचिबको दस्तखत
बैंकको छाप

द्रष्टब्य : प्रोक्सी दिँदा लिँदा आफ्नो समुह भित्र सिमित रही लिनु दिनु पर्नेछ । यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ७२ घण्टा अगावै बैंकको रजिष्टर्ड कार्यालयमा पेश गरिसक्नु पर्नेछ ।

प्रवेश -पत्र

शेयरधनीको नाम : ....

शेयरधनी नम्बर र हितग्राही परिचय नं. .... शेयर संख्या : ....

२०७६/०१/२७ गते शुक्रबारका दिन हुने सिभिल बैंक लिमिटेडको सातौं र आठौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेशपत्र ।

शेयरधनीको दस्तखत :

हिरा काजी बस्नेत
कम्पनी सचिव

द्रष्टब्य : सभा कक्षमा प्रवेश गर्न यो प्रवेशपत्र अनिवार्य रुपमा प्रस्तुत गर्नु पर्नेछ ।

विषय सुची

अध्यक्ष ज्यूको मन्तब्य

आदरणीय शेयरधनी महानुभावहरु,

सिभिल बैंक लिमिटेडको सातौं र आठौं वार्षिक साधारण सभामा हाम्रो निमन्त्रणालाई स्वीकार गरि उपस्थित आदरणीय शेयरधनी महानुभावहरु, नियमनकारी निकायका प्रतिनिधिज्यूहरु, अतिथिज्युहरु, पर्यवेक्षक, पत्रकार मित्रहरु तथा बैंकमा कार्यरत कर्मचारीहरुलाई बैंकको सञ्चालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत गर्दै न्यानो अभिवादन व्यक्त गर्दछु। बैंक स्थापनाका नवौं बर्ष पार गरिरहदासम्म हामीलाई निरन्तर रुपमा असीम विश्वास र आत्मिय सहयोगको लागि बैंक परिवार यहाँहरुप्रति हार्दिक आभार समेत प्रकट गर्दछौ। साथै आगामी दिनहरुमा पनि यहाँहरुको सहयोग र सद्भाव निरन्तररुपमा रहनेछ भन्ने विश्वास लिएको छु।

शेयरधनी महानुभावहरु,

आ. व. २०७३/०७४ को मुनाफाबाट शेयरधनी महानुभावहरुलाई १०.२५ प्रतिशत बोनस शेयर र ०.५४ प्रतिशत नगद लाभांश तथा आ.व. २०७४/०७५ को मुनाफाबाट ४.०५ प्रतिशत नगद लाभांश प्रस्ताव गरिएको छ। यस प्रस्तावलाई आजको सभाले पारित गरी दिनु हुन अनुरोध गर्दछौं। मर्जर तथा एक्विजिशनबाट प्राप्त क्यापिटल रिर्जभ र बैंकको मुनाफाबाट शेयरधनी महानुभावहरुलाई आ. व. २०७३/०७४ र ०७४/०७५ मा कुल १४.८४ प्रतिफल वितरण गर्न सफल भएको छ।

आ.व. २०७२/७३ को मौद्रिक नीति अनुसार बैंक तथा वित्तीय संस्थाहरुको पूँजिगत आधार सुदृढ गरि दीर्घकालिन रुपमा व्यवसाय अभिवृद्धिका लागि आवश्यक पर्ने स्रोत परिचालन गर्न तथा वित्तीय स्थायित्वका लागि “क” वर्गका वाणिज्य बैंकहरुको हाल कायम रहेको न्युनतम चुक्ता पूँजीलाई चार गुणाले वृद्धि गरी बैंकको न्युनतम चुक्ता पूँजी रु. ८ अर्व पुर्‍याउनु पर्ने प्रावधान अनुरुप यस बैंकले आ.व. २०७३/०७४ मा इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेड लाई गाभ्ने तथा युनिक फाइनान्स लिमिटेड र हामा मर्चेन्ट एण्ड फाइनान्स लिमिटेडलाई प्राप्ति गर्नुका साथै ततपश्चात कायम हुन आउने चुक्ता पूँजीको ४० प्रतिशत हकप्रद शेयर निष्कासन कार्य सम्पन्न गरि बैंकको पूँजी रु.७,२५,९३,१०,३६१।८० (अक्षरेपी सात अर्व पच्चिस करोड त्रियानब्बे लाख दश हजार तीन सय एकसट्ठी रुपैया असि पैसा) पुर्‍याईसकेको र बाकी नपुग पूँजी यसै साधारण सभामा पेश भए बमोजिमको बोनश शेयरबाट पुग्ने व्यहोरा जानकारी गराउन चाहन्छु। तथापि आगामि दिनहरुमा बैंकलाई अझ सबल बनाउन तथा पूँजीगत हिसावले थप मजबुत बनाउनको लागि यस बैंकले अन्य बैंक तथा वित्तीय संस्थालाई प्राप्ति गर्ने वा गाभ्ने वा उपयुक्त संस्थासंग सिभिल बैंक गाभिएर जाने रणनीतिका साथ अगाडि बढिरहेको जानकारी गराउदछु। सो सम्बन्धी विशेष प्रस्तावहरु आजको साधारण सभामा शेयरधनी महानुभावहरु समक्ष पेश गरेको छु।

यस बैंकको संचालक समिति शेयरधनिहरुको अधिकतम हित प्रति सदैव सचेत रहेको भएता पनि खराब कर्जाको स्थितिले बैंकले सोचे अनुरुप प्रगति गर्न नसकेको हुनाले शेयरधनिहरुलाई उच्चतम प्रतिफल दिन नसकिरहेको अवस्था रहेको छ। कर्जा असुलीलाई प्रभावकारी बनाउनको लागि केन्द्रिय स्तरमा कर्जा असुली विभागलाई सवलीकरण गरिएको र सम्बन्धित क्लस्टर तथा शाखाहरुसँग समन्वय गरि कर्जा असुली गर्ने कार्यलाई सुदृढिकरण गर्न बैंक व्यवस्थापनलाई निर्देशन दिईएको छ ।

संचालकहरुलाई आफ्नो अधिकार, दायित्व तथा कर्तव्यमा पूर्ण रुपमा जिम्मेवार बनाईएको छ।। संस्थागत सुशासनका मापदण्डहरुलाई शुन्य सहनशीलताको नीति बमोजिम अक्षरस पालना गर्दै नेपालको वित्तीय क्षेत्रमा उदाहरणीय बैंक बन्ने हाम्रो लक्ष्य हो। संस्थागत सुशासानको सुदृढ कार्यान्वयन र पालनाबाट नै स्वस्थ्य र दिगो प्रतिफल प्राप्त गर्न सकिने कुरामा संचालक समिति विश्वस्त छ र भविष्यमा सो प्रति सदैव सचेत रहने छ। मेरो कार्यव्यस्तता तथा नीतिगत कारणले गर्दा बैंकको संचालक समितिको संचालक तथा अध्यक्ष पदबाट मिति २०७४ साल बैशाख १५ गते देखि लागु हुने गरि राजिनामा दिई स्वीकृत भएतापनि शेयरधनिहरुको सुझाव यहाहरुकै विश्वासका कारणले मिति २०७४ साल पौष ३ गते देखि पुनः संचालक समितिको अध्यक्ष सम्हाल्दै आएको छु । यस बिचमा बैंकको संचालक समितिको अध्यक्षको भुमिकालाई जिम्मेवारी पुर्वक निर्वाह गनुहुने निवर्तमान अध्यक्ष श्री अम्वीर बोगटीज्यूलाई हार्दिक धन्यवाद दिन चाहन्छु। बैंकको नियमावलिमा बैंकमा स्वतन्त्र संचालक समेत गरेर ९ जना रहेको संचालक समितिको व्यस्था भएतापनि बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ लाई खारेज गरी बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ लागु भएको र उक्त ऐनको दफा १४ को उपदफा (१) मा बैंक तथा वित्तीय संस्थामा कम्तीमा पाँच र बढीमा सात जना संचालकहरु रहेको एक संचालक समिति रहनेछ भन्ने व्यवस्था भएको हुनाले साविकको बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ को दफा १२ को उपदफा (१) बमोजिम यस बैंकको संचालक समिति ९ जनाको हुने गरी गठन गरिएकोमा नयाँ ऐन लागु भएपश्चात सोही बमोजिम हुने गरी ७ जनाको संचालक समिति गठन गर्नु पर्ने भएको हुँदा संस्थापक शेयरधनीहरुबाट ३ जना, सर्वसाधारण शेयरधनीहरुबाट ३ जना र स्वतन्त्र संचालक १ जना गरी ७ जनाको संचालक समिति गठन गरी बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा (१) लाई कार्यान्वयन गर्ने सम्बन्धमा संचालक समितिमा छलफल हुदाँ यस बैंकको संस्थापक शेयरधनीहरुको तर्फवाट संचालक समितिमा प्रतिनिधित्व गर्नुहुने संचालक श्री रिता श्रेष्ठ र संचालक श्री विनोद लाल श्रेष्ठले आफ्नो व्यवसायीक व्यस्तताको कारणले मिति २०७४ जेठ ७ गते देखि लागु हुने गरी सिभिल बैंक लिमिटेडको संचालक पदमा रही बैंकको सेवा गर्न सक्ने अवस्था नभएको भनी संचालक पदवाट दिनु भएको राजीनामालाई स्वीकृत गरेको जानकारी गराउदछु। वहाँहरुले यस बैंकमा पुर्‍याउनु भएको योगदानको उच्च मूल्याङ्कन गर्दै यसै सभा मार्फत हार्दिक धन्यवाद दिन चाहन्छु। साथै बैंकको नियमावलीमा संस्थापक समुहबाट ३ जना, सर्वसाधारण समुहबाट ३ जना र स्वतन्त्र संचालक १ जना गरी ७ जनाको संचालक समिति गठन हुने गरी संशोधनको लागि यस सम्मनित साधारण सभामा समक्ष विशेष प्रस्ताव पेश गरिएको छ। यस प्रस्तावलाई आजको सभाले स्वीकृति प्रदान गर्ने कुरामा म विश्वस्त छु। साथै बैंकको संचालक समितबाट आफ्नो कार्य व्यस्तताले गर्दा संचालक पदबाट राजिनामा दिनुभएका श्री मित्रलाल श्रेष्ठ र सिर्जना शाक्य तथा कार्यकाल समाप्त हुनुभएका स्वतन्त्र संचालक प्रा. डा. रमेश दाहाललाई वहाँहरुले यस बैंकमा पुर्‍याउनु भएको योगदानको उच्च कदर गर्दै यसै सभा मार्फत हार्दिक धन्यवाद दिन चाहन्छु।

यसका अलावा बैंकको व्यवसायलाई विस्तार गर्दै जाने नीति अनुरुप सामुहिक लगानी कोषको स्थापना प्रमाण पत्र प्राप्त गरिसकेको जानकारी गराउदै आगामि केहि समय भित्रमा सिभिल म्युचूअल फण्ड पनि ल्याईने कुरा सम्पूर्ण शेयरधनी महानुभावहरुलाई अवगत गराउन चाहन्छु। बैंकको वित्तीय अवस्था, समग्र जोखिम व्यवस्थापन, कर्जाको

गुणस्तर, कर्जा असुलीको अवस्था तथा मुनाफाको अवस्थाको बारेमा क्रमशः प्रगति हुदै गरेको कुरा पारदर्शी रुपमा यहाँहरु सवैलाई जानकारी भएकै छ ।

बैंकले इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेडलाई गाभ्ने कार्य सम्पन्न गरि सकेको हुनाले बैङ्क तथा वित्तीय संस्था एक आपसमा गाभ्ने गाभिने (मर्जर) तथा प्राप्ति (एक्विजिशन) सम्बन्धी विनियमावली, २०७३ बमोजिम गाभिएपछि सम्पन्न हुने पहिलो वार्षिक साधारण सभाबाट निर्वाचनको माध्यमबाट संचालक समितिको पुनर्गठन गर्नुपर्ने प्रावधान अनुरुप यसै साधारण सभाले संस्थापक समुहबाट ३ जना तथा सर्वसाधारण समुहबाट ३ जना संचालकहरु निर्वाचित/मनोनित गर्ने प्रस्तावबाट बैंकमा योग्य संचालकहरुको नियुक्ति हुनेछ भन्ने आशा लिएको छु । नवनिर्वाचित संचालकज्यूहरुलाई सफल कार्यकालको अग्रिम शुभकामना समेत व्यक्त गर्दछु ।

बैंकले हालसम्म हासिल गरेका उपलब्धिहरु तथा गतिविधिहरुका बारेमा संचालक समितिको वार्षिक प्रतिवेदनमा विस्तृत रुपमा उल्लेख गरिएको छ । संचालक समिति, शेयर धनीहरु, बैंक व्यवस्थापन, कर्मचारी र नियमनकारी निकाय तथा अन्य सरोकारवाला बीच समाञ्जस्यता ल्याई ग्राहक वर्गलाई उच्चस्तरीय सेवा प्रदान गर्दै बैंकको सर्वोपरि हितका लागि कार्य गर्नु वर्तमान सिभिल बैंक संचालक समितिको नीति हो । यसमा सवै सरोकारवालाहरुलाई समेटी सवैको समान हितको रक्षाले मात्र समग्र बैंकको दिगो विकास सम्भव छ भन्ने कुरामा हामी विश्वस्त छौ ।

अन्त्यमा, बैंकलाई आजको यस अवस्थासम्म ल्याई पुर्‍याउन अनवरत रूपमा जुटिरहनु भएका संचालक साथीहरू, बैंकका संस्थापक, शेयरधनी महानुभावहरु, नियमनकारी निकाय, बैंकका निक्षेपकर्ता तथा ग्राहकवर्गहरू, शुभेच्छुक, सहयोगी तथा बैंक व्यवस्थापनमा रही महत्वपूर्ण योगदान गर्दै आउनु भएका प्रमुख कार्यकारी अधिकृत तथा उहाँको नेतृत्वमा रहेको व्यवस्थापन समूह एवं सम्पूर्ण कर्मचारीहरूबाट प्राप्त सहयोगप्रति हार्दिक कृतज्ञता प्रकट गर्दै यस बैंकले उत्साहजनक रूपले कारोबार विस्तार गर्नुका साथै वित्तीय बजारमा प्रतिष्ठित बैंकको रूपमा पहिचान बनाउनको लागि अग्रसर भैरहेको तथ्य यहाँहरूलाई अवगत गराउदै बिदा हुन चाहन्छु ।

धन्यवाद,

ई. इच्छा राज तामाङ्ग
अध्यक्ष

सिभिल बैंक लिमिटेडको
सातौं र आठौं वार्षिक साधारण सभाको लागि
संचालक समितिको प्रतिवेदन
आ.व . २०७३/०७४ र २०७४/०७५

आदरणीय शेयरधनी महानुभावहरु,

यस सिभिल बैंक लिमिटेडको सातौं र आठौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरु, अन्य आमन्त्रित अतिथिहरु एवं पत्रकार मित्रहरुलाई बैंकको संचालक समितिको तर्फबाट तथा मेरो व्यक्तिगत तर्फवाट आभार व्यक्त गर्दै हार्दिक स्वागत तथा न्यानो अभिवादन गर्दछु । यस गरिमामय सभामा म संचालक समितिको तर्फबाट बैंकको आ. व. २०७३/०७४ र २०७४/०७५ को समीक्षा अवधिमा भएको समग्र कारोबार, बैंकले हासिल गरेको उपलब्धी र भावी योजनाहरुको विषयलाई समेटेर कम्पनी ऐन, २०६३, बैंक तथा वित्तीय सस्था सम्वन्धी ऐन, २०७३ तथा नेपाल राष्ट्र बैंकको निर्देशनको परिधि भित्र रही यो प्रतिवेदन संचालक समितिको तर्फबाट बैंकको सातौं र आठौं वार्षिक साधारण सभामा छलफल तथा पारित गर्नको लागि पेश गरेको छु ।

सिभिल बैंक लिमिटेडले आर्थिक वर्ष २०७३/०७४ र २०७४/०७५ को समिक्षा अवधिमा गरेको कार्यसम्पादनलाई निम्नानुसार प्रस्तुत गरिएको छ :

(१) समिक्षा अवधिको संक्षिप्त वित्तीय झलक :

आर्थिक वर्ष २०७३/०७४ र २०७४/०७५ मा यस बैंकको लागि चुनौतिपूर्ण समय रहयो । छोटो अन्तरालमा तरलतामा आएको संकुचनले निक्षेप व्याजको लागतमा व्यापक बृद्धि हुनका साथै कर्जा प्रवाह अपेक्षाकृत कम भएकोले खुद व्याज आम्दानी घट्न पुगेको छ । देशमा बिद्यमान राजनीतिक अवस्था, आर्थिक चुनौती, सरकारको विकास खर्चमा भएको न्यूनता, विप्रेषण बृद्धिदरमा कमी, श्रम शक्तिको पलायन आदि जस्ता कारणहरुले जलविद्युत र सिमेन्ट उद्योग बाहेक अन्य उत्पादनशील उद्योगहरुको स्थापना र संचालन नहुँदा बैंकहरुले आफ्नो लगानी समेत अन्य क्षेत्रमा केन्द्रित गर्नु पर्ने बाध्यता रही आएको छ । नेपाल राष्ट्र बैंकले मौद्रिक नीति मार्फत बैंक तथा वित्तीय संस्थाको पूँजी बृद्धि गर्ने नीति अनुरुप चुक्ता पूँजी बृद्धि सँगसँगै व्यवसाय विस्तार गर्नको लागि कर्जामा गरेको बृद्धिले कर्जाको ब्याजदर समिक्षा अवधिमा निकै प्रतिस्पर्धी हुँदा हामी जस्ता पछिल्लो पुस्ताका बैंक तथा वित्तीय संस्थाहरुलाई स्थापित पुराना र ठुला बैंकहरुसंग प्रतिस्पर्धा गरी मुनाफा आर्जन गर्न निकै कसरत गर्नु पऱ्यो । यस कठिन परिस्थितिका बाबजुद समीक्षा अवधिमा यस बैंकले सन्तोषजनक उपलब्धि हासिल गरेको छ । बैंकको समिक्षा अवधिको प्रमुख वित्तीय सुचकांङ्कहरु निम्न बमोजिम रहेका छन् ।

(क) प्रमुख उपलब्धि/नतिजा : (रु.हजारमा)

विवरण	साविकको ने.रा.बै निर्देशिका ४ बमोजिम			NFRS बमोजिम	
	२०७१/०७२	२०७२/०७३	२०७३/०७४	२०७३/०७४	२०७४/०७५
संचालन आम्दानी	१,०४३,७१८	१,२३९,९९६	१,४२३,८७२	१,६३९,७८४	१,८५०,४६८
संचालन खर्च	४६८,२८३	५१०,७०२	६३७,५५१	६८५,७३५	९९२,६७५
संचालन मुनाफा (व्यवस्था अघिको)	५७५,४३४	७२९,२९५	७८६,३२१	९५४,०४९	८५७,७९२
खुद मुनाफा (कर पछिको)	२३०,०२०	१९४,२२८	३४८,२८०	१,५३८,९६१	६२९,८९९

(ख) प्रमुख कारोवार तथा सुचकांङ्कहरु : (रु.हजारमा)

विवरण	साविकको ने.रा.बै निर्देशिका ४ बमोजिम			NFRS बमोजिम	
	२०७१/०७२	२०७२/०७३	२०७३/०७४	२०७३/०७४	२०७४/०७५
चुक्ता पूँजी	३,०८२,७७९	३,२१४,७९३	५,९२९,३०१	५,१८५,२२२	७,२५९,३१०
निक्षेप	२६,६५६,४२४	३१,५६४,०२३	३४,२३५,२४३	३४,२३५,२४३	४०,०१२,६७३
कर्जा	२३,१६५,५८०	२६,५२९,०५३	३०,८८१,२०५	३१,५११,१४४	४१,३६६,७०३
निष्कृय कर्जा प्रतिशत	३.२०	४.४९	३.९६	३.९६	२.६३
स्थिर सम्पत्ति (खुद)	३१३,२४५	२६२,८००	२७९,१६४	२७९,१६४	२९६,४७६
कूल सम्पत्ति	३०,४२३,५८५	३५,२६९,४५०	४१,७२०,९२२	४२,२९९,४१७	५१,९२५,२२९

(ग) प्रमुख सुचकांङ्कहरु :

विवरण	साविकको ने.रा.बै निर्देशिका ४ बमोजिम			NFRS बमोजिम	
	२०७१/०७२	२०७२/०७३	२०७३/०७४	२०७३/०७४	२०७४/०७५
खुद मुनाफा/कूल आम्दानी	९.६४%	७३०%	९.९३%	३३.१०%	१२.७९%
संचालन खर्च/संचालन आम्दानी	४४.८७%	४१.१९%	४४.७८%	४१.८२%	५३.६४%
सम्पत्तिमा प्रतिफल	०.७६%	०.५५%	०.८३%	३.६४%	१.२१%
प्रति शेयर आम्दानी	७४६	६.०३	५.८७	२९.६८	९.६९
स्थायी कर्मचारी	४०६	४०४	५२६	५२६	६८५
शाखाहरु	४१	४२	५३	५३	६८
तरलता (CRR) अनुपात	१०.५२%	८.५०%	७१३%	७१३%	६.३४%
पूँजीकोष अनुपात	१३.६५%	१२.१९%	१८.८२%	१८.८२%	२०.३२%

(२) निक्षेप परिचालन (Deposit Mobilization)

आ.व. २०७३/०७४ मा बैंकले कूल निक्षेप रु. ३४,२३,५२,४२,७७६।- रहेकोमा आ.व. २०७४/०७५ मा रु. ४०,०१,२६,७२,८८९।- पुऱ्याउन सफल भएको छ । जस अन्तरगत स्वदेशी मुद्राको निक्षेप रु. ३९,८७,१३,६३,७२७ र विदेशी मुद्राको निक्षेप रु. १४,१३,०९,१६२ रहेको छ । बैंकमा रहेको निक्षेपलाई विविधिकरण गरी साधारण बचत निक्षेपलाई आकर्षित गर्न विभिन्न प्रकारका खाताहरु मार्फत निक्षेप संकलन गर्ने गरिएको छ । बैंकमा साधारण बचत निक्षेपको अंश बृद्धि गर्न आगामी वर्ष पनि विशेष योजनाका साथ निरन्तरता दिइने छ । बैंकको चल्ती बचत निक्षेपको योगदान २१ प्रतिशतबाट बृद्धि भई २९ प्रतिशत पुग्दा समग्र निक्षेप १६.८८ प्रतिशतले बृद्धि भएको छ ।

(३) कर्जा तथा कर्जा व्यवस्थापन (Credit & Credit Management)

बैंकले कर्जा प्रवाह गर्न विशेष सतर्कता अपनाई मात्र कर्जा प्रवाह नीति बमोजिम श्रोतमा नै पर्याप्त सजगता अपनाई बैंकमा लागू भएका Credit Policy Guidelines, Credit Risk Rating System, Credit Risk Management Framework, Valuation Guidelines एवं नेपाल राष्ट्र बैंकवाट जारी भएका नीति निर्देशनहरुको कार्यान्वयन गरी बैंकमा कर्जाको गुणस्तर उच्च राख्ने तर्फ विशेष सतर्क रही काम गरिएको छ ।

बैंकले सधै झै विशेष प्रथामिकतामा राखि कृषि, पर्यटन, जलविधुत लगायत अन्य कर्जा लगानी गर्दै आएको छ । त्यसैगरी विपन्न वर्ग कर्जालाई पनि प्रथामिकतामा राखी नेपाल सरकार र नेपाल राष्ट्र बैंकको नीति निर्देशन बमोजिम कर्जा विस्तार गर्दै आएका छौं । आ.व. २०७४/०७५ को आषाढ मसान्तमा समग्र वित्तीय क्षेत्रमा कर्जा बृद्धि २२.४१ प्रतिशत रहेकोमा यस बैंकको कर्जा ३१.७१ प्रतिशतले बृद्धि गरी कुल ४०.६७ अर्व कर्जा लगानी गर्न सक्षम भएको छ । त्य बाहेक कर्जा विस्तारका क्रममा बैंकले विशेष प्रथामिकतामा राखि व्यक्तिगत धितो कर्जा, शैक्षिक कर्जा, सवारी कर्जा, सुन चाँदी कर्जा, शेयर कर्जा, मुद्दति रसिद कर्जा, घर कर्जा, शौर्य शक्ति कर्जा आदि जस्ता उपभो क्तामुखी कर्जा र अन्य व्यापार कर्जाहरुको माध्यमबाट कर्जाको विस्तार गरिएको छ ।

बैंकले अर्थतन्त्रको मूल आधारको रुपमा रहेको कृषि क्षेत्र लगायत सानो व्यवसायहरुमा संलग्न ठूलो संख्यामा रहेको विपन्न वर्गलाई लक्षित गरी देशका विभिन्न स्थानहरुमा लघु बैंकिङ्ग (Micro Banking) कार्यक्रम र शाखारहित सेवा (Branchless Banking) सेवा संचालनलाई निरन्तरता प्रदान गरिएको छ ।

बैंकले कर्जा लगानीको क्षेत्रलाई विविधिकरण गरी क्षेत्रगत कर्जा प्रवाह योजना (Sectoral Credit Expansion Planning) बनाई लागू गरिएको छ । आ.व. २०७४/०७५ को आषाढ मसान्तमा बैंकको कुल लगानीको कृषि तथा बन क्षेत्रमा ४.२७ प्रतिशत, माछा पालनमा ०.०१ प्रतिशत, खानीमा ०.०८ प्रतिशत, कृषि, बन तथा

पेय पदार्थमा ३.५४ प्रतिशत, गैरखाद्य बस्तु उत्पादनमा १९.८२ प्रतिशत, निर्माणमा ७.२३ प्रतिशत विद्युत, ग्यास र पानीमा ४.८१ प्रतिशत, धातुका उत्पादन, मेसिनरी तथा इलेक्ट्रोनिक औजार तथा जडानमा ०.९० प्रतिशत, यातायात, भण्डार र संचारमा ३.५४ प्रतिशत, थोक तथा खुद्रा विक्रेतामा २२.५१ प्रतिशत, वित्त, बीमा तथा अचल सम्पत्तिमा १२.६४ प्रतिशत, पर्यटनमा ३.३४ प्रतिशत, अन्य सेवाहरुमा ४.६५ प्रतिशत, उपभोक्ता कर्जा ६.५९ प्रतिशत र अन्यमा ६.०६ प्रतिशत कर्जा लगानी गरिएको छ । समीक्षा अवधिमा पनि विगतमा जस्तै घरजग्गा तथा रियलस्टेट क्षेत्रमा हुने लगानीलाई सिमित गरी अत्यन्तै संयमित भएर लगानी गरिएकोमा आगामी वर्ष पनि यस नीतिलाई निरन्तरता दिईनेछ । यसका साथसाथै कर्जाको गुणस्तर सुधार गर्दै लैजाने र कर्जा विस्तार गर्दा उपभोक्तामुखी कर्जा, लघुवित्त कर्जा र गैरकोषमा आधारित कर्जा सुविधा विस्तार गर्ने योजनाहरु कार्यान्वयन गरिनेछ ।

(४) मानव संसाधन व्यवस्थापन (Human Resource Management)

कर्मचारीको व्यवस्थापन र सेवामा निरन्तरता कायम गर्ने कार्यमा गत वर्षको तुलनामा समीक्षा वर्षमा केही बढी चुनौतिपूर्ण रहेको छ । आ.व. २०७४/०७५ को आषाढ मसान्तमा कुल ६८५ जना स्थायी तथा करारका कर्मचारीहरु विभिन्न तहमा रहेर बैंकको सेवामा जुटेका थिए । प्रत्येक स्थानिय तहहरुमा बैंकहरुको सेवा पुऱ्याउने नेपाल सरकारको नीति अनुरुप नेपाल राष्ट्र बैंकको निर्देशन अनुसार बैंकहरुले तिब्र रुपमा शाखा विस्तार गरे सँगै दक्ष कर्मचारीको अभावले गर्दा अन्य बैंकहरुले कर्मचारीहरुलाई आकर्षक तलव सुविधा सहित नियुक्त गर्दा समिक्षा अवधिमा यस बैंकबाट १३१ जना कर्मचारीहरुले राजिनामा गरेका छन् । यसरी बैंकले गरेको आम्दानी र कर्मचारीको सेवा सुविधामा सामञ्जस्यता कायम गर्न तथा बदलिदो परिस्थिति तथा व्यवसायिक विस्तार संगसंगै दक्ष कर्मचारीको नियुक्ति र सेवामा कार्यरत कर्मचारीको सेवा निरन्तरता निकै चुनौतिपूर्ण रहेको छ । कर्मचारीको छनौट, सरुवा, वढुवा तथा बृत्ती विकासमा बैंकले पारदर्शी नीति बनाई लागू गरेको छ ।

(५) शाखा विस्तार (Branch Expansion)

बैंकको हाल कुल शाखा संख्या ७२ वटा रहेको छ । प्रत्येक स्थानीय तहहरुमा बैंकहरुको सेवा पुऱ्याउने नेपाल सरकारको नीति अनुरुप नेपाल राष्ट्र बैंकको निर्देशन अनुसार यस बैंकले दुर्गममा १६ वटा शाखा खोलिसकेको छ । शाखा संख्या वृद्धि सँग सँगै शाखा कार्यालयहरुलाई सुदृढ र सक्षम बनाउने नीति लिईनेछ । यस वाहेक कुल ६ स्थानबाट शाखा रहित बैंकिङ्ग तथा १ स्थानमा एक्सटेन्सन काउन्टरबाट सेवा संचालन गरिएको छ ।

(६) संस्थागत सुशासन (Corporate Governance)

यस बैंकले संस्थागत सुशासनको स्तरलाई उच्चतम रुपमा महत्व दिई संस्थागत सुशासनको उल्लंघनलाई शुन्य सहनसिलता (Zero Tolerance) को नीति अवलम्बन गर्दै आएको छ । नेपाल राष्ट्र बैंक तथा अन्य नियमक निकायहरुवाट संस्थागत सुशासन सम्बन्धी जारी भएका नीति नियम तथा यसको मर्म र भावना समेतमा बैंकको संचालक समिति दृढ संकल्पित छ । संस्थागत सुशासनका मापदण्डहरुलाई अधिकतम प्रयोग गरी नेपालको वित्तीय क्षेत्रमा उदाहरणीय बैंक बन्ने हाम्रो लक्ष्य हो । संस्थागत सुशासनको सुदृढ कार्यान्वयन र पालनाबाट नै स्वस्थ र दिगो प्रतिफल (Healthy & Sustainable Return) प्राप्त गर्न सकिने कुरामा संचालक समिति विश्वस्त छ ।

संस्थागत सुशासन कार्यान्वयन गर्नको लागि बैंकमा संचालक समितिको अलावा देहाय बमोजिमको समिति तथा उप-समितिहरु गठन गरिएको छ ।

संचालकस्तरको समितिहरु :
नेपाल राष्ट्र बैंकको निर्देशन तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा २६, २७, ६० र ६१ को व्यवस्था अनुसार संचालक समितिले आफ्नो जवाफदेहिमा लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति र सम्पत्ति शुद्धिकरण निवारण समिति गठन गरेको छ ।

(क) लेखापरीक्षण समिति (Audit Committee)
संचालक समितिले गैर कार्यकारी संचालक श्री प्रकाश तायलज्यूको संयोजकत्वमा संचालक श्री घनेन्द्र बहादुर श्रेष्ठ सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव भएको तीन सदस्यीय लेखापरीक्षण समिति गठन गरेको छ । बैंकको आन्तरिक लेखापरीक्षण गरी सोको प्रतिवेदन लेखापरीक्षण समितिको बैठकमा छलफल गरी राय सुझाव संचालक समितिमा पेश गर्ने व्यवस्था गरिएको छ । यस समितिले बैंक संचालक समिति तथा व्यवस्थापनलाई सोझै सुझाव तथा निर्देशन पनि दिन सक्ने व्यवस्था छ । आन्तरिक लेखापरीक्षण विभागलाई स्वतन्त्र विभागको रुपमा स्थापना गर्नको लागि आवश्यक नीति नियमहरु बनाई लागू गरिएको छ । आ.व. २०७३/०७४ मा यस समितिको ११ वटा तथा आ.व. २०७४/०७५ मा ११ वटा बैठक बसेको थियो । आन्तरिक लेखापरीक्षण विभागको कार्यक्षमता वृद्धि गर्न आवश्यक श्रोत र साधनको व्यवस्था गरी लेखापरीक्षण विभागलाई अझ सशक्त बनाउदै लगिनेछ ।

(ख) जोखिम व्यवस्थापन समिति (Risk Management Committee)
संचालक समितिले गैर कार्यकारी संचालक श्री संगम के. सि. ज्यूको संयोजकत्वमा जोखिम व्यवस्थापन समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा संचालक श्री प्रकाश तायल, प्रमुख संचालन अधिकृत र एकिकृत जोखिम व्यवस्थापन तथा अनुपालना विभागका प्रमुख सदस्य सचिव रहनु भएको छ । बैंकको समग्र जोखिम अवस्थाको बारेमा अध्ययन तथा मुल्यांकन गरी संचालक समितिलाई राय सिफारिश पेश गर्न जोखिम व्यवस्थापन समिति क्रियाशिल छ । आ.व. २०७३/०७४ यस समितिको ४ वटा तथा आ.व. २०७४/०७५ मा ८ वटा बैठक बसेको थियो । उल्लेखित बैठकबाट संचालक समितिलाई बैंकको कर्जा जोखिम, संचालन जोखिम, तरलता जोखिम, बजार जोखिम लगायतका जोखिम न्यूनिकरणको लागि उपयोगि सुझाव तथा रायहरु प्राप्त भएको थियो । प्राप्त राय सुझावलाई तत्काल कार्यान्वयन समेत गरिएको छ ।

(ग) मानव संसाधन व्यवस्थापन समिति (Human Resource Management Committee)
संचालक समितिले गैर कार्यकारी संचालक श्री अम्बीर बोगटीज्यूको संयोजकत्वमा मानव संसाधन व्यवस्थापन समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा संचालक श्री संगम के. सि. ज्यू, प्रमुख कार्यकारी अधिकृत, प्रमुख वित्त अधिकृत सदस्य र मानव संसाधन विभाग प्रमुख सदस्य सचिव रहनु भएको छ । समितिले बैंकमा कर्मचारीको नियुक्ति, सरुवा, बढुवा, बृत्ति विकास, पदस्थापना, कार्यसम्पादन मुल्यांकन, पुरस्कार, सजाय र श्रम सम्बन्ध, पारिश्रमिक आदिको नियमित रुपले अध्ययन गरी उपयुक्त नीति निर्माण गर्न संचालक समितिलाई राय सुझाव पेश गर्ने गरेको । साथै यस समितिको सिफारिशमा बैंकमा कर्मचारीको कार्यसम्पादन मुल्यांकन निर्देशिका तथा अन्य कर्मचारीसम्बन्धी नीति नियमहरु निर्माण गरी लागु गरिएको छ ।

(घ) सम्पत्ती शुद्धिकरण निवारण समिति (Assets laundering Prevention Committee)
नेपाल राष्ट्र बैंकको एकिकृत निर्देशन २०७४ अनुसार संचालक समितिले गैर कार्यकारी संचालक श्री घनेन्द्र बहादुर श्रेष्ठज्यूको संयोजकत्वमा सम्पत्ती शुद्धिकरण निवारण समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा संचालक श्री प्रकाश तायलज्यू, एकीकृत जोखिम व्यवस्थापन तथा अनुपालना विभाग प्रमुख सदस्य र प्रमुख अनुपालना इकाइ सदस्य सचिव रहनु भएको छ ।

(७) गाभ्ने गाभिनेर प्राप्ति (Merger/Acquisition)

आ.व. २०७२/७३ को मौद्रिक नीति अनुसार बैंक तथा वित्तीय संस्थाहरुको पूँजीगत आधार सुदृढ गरी दीर्घकालिन विकासका लागि आवश्यक पर्ने स्रोत परिचालन गर्न तथा वित्तीय स्थायित्वका लागि बैंक तथा वित्तीय संस्थाहरुको तत्काल कायम रहेको न्युनतम चुक्ता पुँजीलाई चार गुणाले वृद्धि गर्नुपर्ने प्रावधान अनुरुप बैंकको न्युनतम चुक्ता पूँजी रु. ८ अर्व पुऱ्याउनु पर्ने प्रावधान अनुरुप यस बैंकले अ.व. २०७३/०७४ भित्रमा इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेड लाई गाभ्ने तथा युनिक फाइनान्स लिमिटेड र हामा मर्चेन्ट एण्ड फाइनान्स लिमिटेडलाई प्राप्ति गने कार्य सम्पन्न भइसकेको साथै सो समेतलाई समेटेर ४० प्रतिशत हकप्रद शेयर निष्कासन कार्य सम्पन्न गरी यस प्रतिवेदन तयार पार्दाको मिति सम्ममा बैंकको चुक्ता पूँजी रु. ७.२५ अर्व पुऱ्याईसकेको र बाकी नपुग पूँजी यसै साधारण सभामा पेश भए बमोजिमको प्रस्तावित बोनश शेयरबाट पुग्नेछ। आगामि दिनहरुमा बैंकलाई अझ सबल बनाउन तथा पूँजीगत हिसावले थप मजबुत बनाउनको लागि यस बैंकले अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिन (मर्जर) वा प्राप्ति (एक्विजिसन) गर्न/हुन वा स्वदेशी/विदेशी रणनीतिक साझेदारीमा जान आवश्यक सहमती र सम्झौता लगायतका आवश्यक सम्पूर्ण कार्यहरु गर्न/गराउने सम्बन्धी विशेष प्रस्ताव यस सम्मानित सभाबाट पारित गरी सो सम्बन्धी आवश्यक सबै कार्य गर्नको लागि संचालक समितिलाई अख्तियारी प्रदान गर्नु हुन अनुरोध गरिन्छ।

(८) जोखिम व्यवस्थापन (Risk Management)

बैंकिङ्ग व्यवसायमा निहित जोखिम, बजार जोखिम, ब्याजदर जोखिम, संचालन जोखिम, तरलता जोखिम लगायतका समग्र बैंकिङ्ग जोखिमहरुको आकलन व्यवसायमा उत्पन्न हुने विविध जोखिमहरुलाई न्यूनिकरण गर्न प्रणालीबद्ध प्रक्रियाको स्थापना गरी कार्य गर्दै आएको छ। कारोबारमा हुने समग्र जोखिम न्यूनिकरण गर्नको लागि छुट्टै एकिकृत जोखिम व्यवस्थापन विभागको स्थापना गरिएको छ। यसका अतिरिक्त अनुपालना विभाग, आन्तरिक लेखापरीक्षण विभाग, शाखा संचालन विभाग, कानून विभाग आदि जस्ता संस्थागत संरचनाको माध्यमबाट व्यवसायमा उत्पन्न हुने जोखिमको निरन्तर अनुगमन तथा सोको न्यूनिकरण गर्ने व्यवस्था गरिएको छ।

(९) डिजिटल बैंकिङ्ग (Digital Banking)

सिभिल बैंक लिमिटेडले नविनतम प्रविधिहरुलाई आत्मसात गर्दै बैंकका दैनिक कार्यहरुलाई प्रविधि उन्मुख बनाई सेवा तथा सुविधाहरुलाई छिटो छरितो बनाउनको लागि डिजिटल बैंकिङ्ग विभागको स्थापना गरिएको छ। साथै आगामि दिनहरुमा बैंकले गर्ने कार्यहरुलाई स्वचालित (Automation) गर्दै लगिने तथा कागज रहित कार्य गर्ने वातावरण बनाउने तर्फ अगाडि बढिनेछ

(१०) विद्युतीय बैंकिङ्ग (E-banking)

सिभिल बैंक लिमिटेडलाई प्रविधिमा आधारित बैंक (IT Driven Bank) को रुपमा स्थापित गराउन व्यवस्थापन तथा संचालक समिति कटिबद्ध भई लागेको छ। बैंकले संचालनमा आएको छोटो समयमा नै MasterCard को सदस्यता प्राप्त भई ग्राहकहरुलाई डेबिट कार्ड जारी गरेको छ। भविष्यमा क्रेडिट कार्ड जारी गर्ने तर्फ बैंकले गृहकार्य प्रारम्भ गरिसकेको छ। डेबिट कार्ड, इन्टरनेट बैंकिङ्ग, SMS Banking, Civil Smart Bank जस्ता सेवा संचालनमा निरन्तरता दिईएको छ। विद्युतीय कारोबारबाट ग्राहकवर्गमा हुन सक्ने Electronic Fraud को जोखिम न्यूनिकरण गर्नको लागि सूचना प्रविधि संरचनाको स्तरोन्नती गर्ने कार्यलाई निरन्तरता दिएको छ। बैंकले गत आर्थिक वर्ष देखि EMV compliance हुने चिपकार्ड जारी गरिसकेको छ।

बैंकका शाखाहरु तथा व्यापारिक स्थानहरुमा ATM मेसिन राखी संचालन गर्ने नीति अनुरुप हाल सम्ममा बैंकले कुल ५४ वटा ATM मेसिनहरु जडान गरी निक्षेपकर्ताहरुलाई सेवा पुऱ्याई रहेको छ।

(११) विप्रेषण कारोबार (Remittance Transaction)

बैंकले संचालनमा ल्याएको सिभिल बैंक रेमिट सेवाको देश भरमा भुक्तानी एजेन्टहरु रहेको र अन्य नेपालमा ख्यातिप्राप्त विप्रेषण सेवाहरु मनिग्राम, प्रभु मनि, आईएमई, सुलभ रेमिट, एसबिएल रेमिट, आईपे, बेष्ट रेमिट, इजीलिङ्क रेमिटेन्स, बुम रेमिट, हिमाल रेमिट, सिटि एक्स्प्रेस, वेष्टर्न युनियन मनि ट्रान्सफर र विदेशी कम्पनीहरु मावारिड एक्स्चेञ्ज दुवई, अलअन्सारी एक्स्चेञ्ज दुवई, एक्सिस बैंक लिमिटेड भारतको विप्रेषण भुक्तानी प्रतिनिधि भई आन्तरिक तथा वाह्य विप्रेषण कारोबार गर्दै आएको छ।

(१२) संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility)

सिभिल बैंकले संस्थागत सामाजिक उत्तरदायित्व कार्यको निरन्तरतालाई विगत झैं यस समिक्षा आर्थिक वर्षमा पनि निरन्तरता दिइएको छ। बैंकको सानो सहयोगले समाजमा ठूलो परिवर्तन नहोला तर त्यसले समाजको लागि सकारात्मक सन्देश प्रदान गर्ने कुरामा हामी विश्वस्त छौं। समीक्षा आ.व. मा शिक्षा, स्वास्थ्य, पर्यावरण संरक्षण, संस्कृति संरक्षण, प्राकृतिक विपतमा परेका व्यक्तिहरुलाई सहयोग गरिएको छ। बैंकले नेपाल बाल संगठनमा रहेका ३ जना अनाथ बालकहरुको सम्पूर्ण खर्च व्यहोर्ने कार्यलाई यस वर्ष पनि निरन्तरता दिईएको छ। यसका अलावा बैंकले चाईल्ड डेभलपमेण्ट सोसाईटीलाई पनि आर्थिक सहयोग गरेको छ। बैकले प्रेम सागर फाउन्डेशन मार्फत बालबालिकाको लागि जल भोजनको लागि आर्थिक सहयोग गरेको छ। बैकले नेपाल टि.वि. एसोसिएसनले गरेको टि.वि. सम्बन्धि सम्मेलनको लागि आर्थिक सहयोग गरेको छ। बैंकले श्री कमलादी गणेश बिकास तथा जात्रापर्व सहयोग समितिलाई महपुजाको लागि आर्थिक सहयोग प्रदान गरेको छ। साथ साथै बैंकले वार्षिक उत्सवको अवसरमा रक्तदान, वित्तिय साक्षरता कार्यक्रम तथा गरिव तथा जेहेन्दार विधार्थीहरुको लागि छात्रवृति प्रदान गर्ने कार्य सम्पन्न गरेको छ। आगामि दिनहरुमा समेत बैंकले संस्थागत सामाजिक उत्तरदायित्व कार्यलाई निरन्तरता दिईनेछ।

(१३) निष्कृय कर्जाको व्यवस्थापन (Management of Non Performing Loan)

आ.व. २०७३/०७४ को आषाढ मसान्तमा बैंकको निष्कृय कर्जा अनुपात ३.९६ प्रतिशत रहेकोमा आ.व. २०७४/०७५ को आषाढ मसान्तमा निष्कृय कर्जा अनुपात २.६३ प्रतिशत रहेको छ। आ.व. २०७२/०७३ मा यो अनुपात ४.४९ प्रतिशत रहेको थियो। चालु आर्थिक वर्षको दोश्रो त्रैमासमा यो ३.५४ प्रतिशत हुन आएको छ। आदरणीय शेयरधनी महानुभावहरु बैंकको निष्कृय कर्जा अनुपात बैंकिङ्ग क्षेत्रका अन्य बैंकको तुलनामा अझै उच्च छ। कर्जा असुलि तथा निष्कृय कर्जा घटाउन तथा थप वृद्धि हुन नदिनको लागि कर्जा व्यस्थापन तथा असुलिमा अझ प्रभावकारी भूमिका खेल्नुपर्ने आवश्यकता रहेको छ।

कर्जा असुलीलाई प्रभावकारी बनाउनको लागि केन्द्रिय स्तरमा कर्जा असुली विभागलाई सवलीकरण गरिएको र सम्बन्धित क्लस्टर तथा शाखाहरुसँग समन्वय गरी कर्जा असुली गर्ने कार्यलाई सुदृढिकरण गर्न बैंक व्यवस्थापनलाई निर्देशन दिईएको छ । कर्जा असुलीको कार्यलाई निरन्तर रुपमा अगाडि बढाउँदै थप कर्जा नोक्सानी व्यवस्था नहुने तर्फ सजग रही निष्कृय कर्जालाई १ प्रतिशत भित्रै राख्ने लक्ष्यका साथ बैंक अगाडि बढेको छ ।

(१४) मुनाफा तथा लाभांशको बाँडफाँड (Profit and Dividend Distribution)

बैंकले आ.व. २०७२/०७३ को तुलनामा १७६.७६ प्रतिशतले संचालन मुनाफा बृद्धि गरी कर्जा नोक्सानी व्यवस्था तथा कर पश्चात रु ३४.८३ करोड खुद मुनाफा, वासलातमा रहेको संचित मुनाफा र मर्जर तथा एक्विजिशनबाट आएको क्यापिटल रिर्जभबाट शेयरधनी महानुभावहरुलाई चुक्ता पूँजीको १०.२५% प्रतिशतका दरले हुन आउने रु. ७४,४०,७९,३१२।०८ (अक्षरेपी चौहत्तर करोड चालिस लाख उनासी हजार तिन सय बाह्र रुपैया आठ पैसा मात्र) बराबरको बोनश शेयर तथा ०.५४% का दरले हुन आउने रु. ३,९१,६२,०६९।०६ (अक्षरेपी तिन करोड एकानब्बे लाख बैसट्ठी हजार उनन्सतरी रुपैया छ पैसा मात्र) नगद लाभांश तथा आ.व. २०७४/०७५ मा संचित मुनाफाबाट चुक्ता पूँजीको ४.०५% का दरले हुन आउने रु.२९,४०,०२,०६९।६५ (अक्षरेपी उन्नतिस करोड चालिस लाख दुई हजार उनान्सत्तरी रुपैया पैसट्ठी पैसा मात्र) नगद लाभांश वितरण गर्ने प्रस्तावलाई यस गरिमामय साधारण सभाबाट पारित गरिदिनु हुन अनुरोध गर्दछौ । साथै बोनस शेयर वितरण गर्दा खण्डिकृत (Fraction) हुने शेयरलाई विगत वर्षमा झै शेयर पूर्णकृत नभएसम्म सम्बन्धित शेयरधनीकै नाममा राख्ने प्रस्ताव गरिएको छ ।

अन्त्यमा,

अन्त्यमा, बैंक सञ्चालनका लागि हामीलाई सुम्पिनु भएको गहनतम अभिभारालाई इमान्दारीपूर्वक वहन गर्न कटिवद्ध रहेको व्यहोरा अवगत गराउदै प्रत्यक्ष अप्रत्यक्ष रुपमा यस बैंकको उन्नती तथा प्रगतिमा योगदान पुऱ्याउनु हुने सम्पूर्ण शेयरधनी महानुभावहरु, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, नेपाल बैंकर्स संघ, लेखापरीक्षक, कर्मचारीहरु तथा आदरणीय ग्राहक महानुभावहरु लगायत सम्पूर्ण महानुभाव तथा संघ संस्थाहरुलाई धन्यवाद ज्ञापन गर्दै सवै पक्षबाट हाल पाइरहेको सदभाव तथा समर्थन आउने दिनहरुमा समेत निरन्तर पाउने विश्वास सहित बैंकको चौतर्फी प्रगतिका लागि सदैव प्रतिवद्ध रहेको विश्वास दिलाउन चाहन्छौं ।

धन्यवाद !

संचालक समितिको तर्फबाट
ई. इच्छ्या राज तामाङ्ग
अध्यक्ष

मिति : २०७६/०१/०२

कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ बमोजिमको विवरण

(१) विगत वर्षको कारोवारको सिंहावलोकन : बैंकको संचालक समितिको प्रतिवेदनमा यस सम्वन्धमा उल्लेख गरिएको छ ।

(२) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारलाई कुनै असर परेको भए सो असर ।

(क) अन्तराष्ट्रिय परिस्थिति

सन् २०१८ मा विश्व अर्थतन्त्र ३.७ प्रतिशतले वृद्धि भएकोमा सन् २०१९ मा ३.५ प्रतिशतले वृद्धि हुने अन्तराष्ट्रिय मुद्राकोषको प्रक्षेपण छ । विकसित मुलुकहरुको अर्थतन्त्र सन् २०१८ मा २.३ प्रतिशतले वृद्धि भएकोमा सन् २०१९ मा २ प्रतिशतले वृद्धि हुने अन्तराष्ट्रिय मुद्राकोषको प्रक्षेपण छ ।

उदीयमान तथा विकासशील अर्थतन्त्र सन् २०१८ मा ४.६ प्रतिशतले वृद्धि भएको मा सन् २०१९ मा ४.५ प्रतिशतले बढ्ने अन्तराष्ट्रिय मुद्राकोषको प्रक्षेपण छ । चीनको अर्थतन्त्र सन् २०१८ मा ६.६ प्रतिशतले वृद्धि भएकोमा सन् २०१९ मा ६.२ प्रतिशत र भारतीय अर्थतन्त्र सन् २०१८ मा ७.३ प्रतिशतले वृद्धि भएकोमा सन् २०१९ मा ७.५ प्रतिशतले विस्तार हुने कोषको प्रक्षेपण छ ।

विकसित अर्थतन्त्रहरुमा उपभोक्ता मुद्रस्फीति सन् २०१८ मा २.० प्रतिशत रहेकोमा सन् २०१९ मा १.७ प्रतिशत हुने अन्तराष्ट्रिय मुद्राकोषको प्रक्षेपण छ। उदीयमान तथा विकासशील अर्थतन्त्रहरुमा उपभोक्ता मुद्रस्फीति सन् २०१८ को ४.९ प्रतिशतको तुलनामा सन् २०१९ मा ५.१ प्रतिशत रहने कोषको प्रक्षेपण छ ।

(श्रोत : आर्थिक वर्ष २०७५/७६ को मौद्रिक नीतिको दोस्रो त्रैमासिक समीक्षा, नेपाल राष्ट्र बैंक)

(ख) राष्ट्रिय परिस्थिति

नेपाल सरकारले आर्थिक वर्ष २०७५/७६ को बजेटमा ८ प्रतिशत आर्थिक वृद्धिको लक्ष्य लिएको थियो । हालै सार्वजनिक केन्द्रिय तथ्याङ्क विभागको राष्ट्रिय लेखा तथ्याङ्क अनुसार आर्थिक वर्ष २०७५/७६ मा यथार्थ कुल गार्हस्थ्य उत्पादन ५.९ प्रतिशतले वृद्धि हुने अनुमान रहेकोछ ।

आर्थिक वर्ष २०७४/७५ को मौद्रिक नीतिले वार्षिक औसत उपभोक्ता मुद्रास्फीति ६.५ प्रतिशतको सीमाभित्र राख्ने लक्ष्य लिएको थियो । चालु आर्थिक वर्षको छ महिनामा औसत मुद्रास्फीति दर ४.२ प्रतिशत रहेको छ (तालिका १) । वार्षिक विन्दुगत आधारमा २०७५ पुसमा यस्तो मुद्रास्फीति ४.६ प्रतिशत रहेको छ । अनुकुल मौसम, न्यून अन्तराष्ट्रिय मुद्रास्फिति र आपूर्ति व्यवस्थापनमा आएको सुधार लगायतका कारण मुद्रास्फिति नियन्त्रित नै रहेको छ ।

२०७५ पौष मसान्तमा २८ वाणिज्य बैंक, ३३ विकास बैंक, २४ वित्त कम्पनी र ७२ लघुवित्त वित्तीय संस्थाहरुसंचालनमा रहेका छन् भने यी संस्थाहरुको शाखा संख्या ४,५९१ पुगेको छ ।

२०७५ पौष मसान्तमा बैंक तथा वित्तीय संस्थाहरुको चुक्ता पुँजी रु. २९५ अर्ब ८९ करोड पुगेको छ ।

२०७५ असारमा वाणिज्य बैंकहरूका भारित औसत कर्जा दर १२.२९ प्रतिशत रहेकोमा २०७५ पौषमा १२.२८ प्रतिशत रहेको छ । त्यसैगरी, २०७५ असारमा वाणिज्य बैंकहरुको भारित औसत निक्षेप दर ६.४९ प्रतिशत रहेकोमा २०७५ पौषमा ६.७२ प्रतिशत रहेको छ ।

वाणिज्य बैंकहरुले २०७५ असार मसान्त सम्म कृषि क्षेत्रमा १० प्रतिशत, ऊर्जामा ५ प्रतिशत, पर्यटन क्षेत्रमा ५ प्रतिशत र बाँकी अन्य प्राथमिकता प्राप्त क्षेत्रमा गरी आफ्नो कुल कर्जाको न्यूनतम २५ प्रतिशत कर्जा अनिवार्य रुपमा प्रवाह गर्नुपर्ने व्यवस्था गरिएकोमा २०७५ पौष मसान्तसम्ममा कृषि क्षेत्रमा ९.९३ प्रतिशत, ऊर्जामा ४.२१ प्रतिशत, पर्यटन क्षेत्रमा ४.४० प्रतिशत गरी कुल १८.५४ प्रतिशत कर्जा प्रवाह गरेका छन् । २०७५ असारमा वाणिज्य बैंकहरुको औसत निष्क्रिय कर्जा अनुपात १.६ प्रतिशत रहेकोमा २०७५ पौषमा १.७५ प्रतिशत रहेको छ ।

(श्रोत : आर्थिक वर्ष २०७५/७६ को मौद्रिक नीतिको दोस्रो त्रैमासिक समीक्षा र मासिक बैंकिङ्ग तथा वित्तीय तथ्याङ्क प्रतिवेदन, नेपाल राष्ट्र बैंक)

(३) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :

(क) चालु आर्थिक वर्षको दोश्रो त्रयमास अन्तरगत प्रतिवेदन तयार पार्दासम्ममा बैंकको कारोबारको स्थिति देहाय बमोजिम रहेको छ ।

रु हजारमा

विवरण	२०७५/०७६ पौष मसान्त
चुक्ता पुँजी	७,२५,९३,१०*
निक्षेप	४३,०८,४५,८६
कर्जा	४३,५५,०६,३७
तरलता (CRR) अनुपात	४.८१%
पुँजीकोष अनुपात	१९.८६%
निष्कृय कर्जा अनुपात	३.५४%
आधार दर (Base Rate)	११.३१%

* नेपाल राष्ट्र बैंकबाट पारित भईसकेको आ.व. २०७३/२०७४ को बोनस शेयर वार्षिक साधारण सभाबाट पारित भए पश्चात चुक्ता पूँजी रु ८ अर्व पुग्ने ।

(ख) बैंकको उन्नति प्रगतिको लागि भविष्यमा गर्नु पर्ने कार्यको सम्बन्धमा संचालक समितिको धारणा :

- निक्षेपको औसत व्याजदरमा कमी ल्याउनका लागि CASA निक्षेप बढाउनको लागि नयाँ योजनाहरु तर्जुमा गरी कार्यान्वयन गर्ने र व्यक्तिगत निक्षेपकर्ताहरुको आधार वृद्धि गर्दै संस्थागत निक्षेप तर्फको निर्भरता कम गर्दै लैजाने ।
- बैंकको व्यवसाय विस्तारको लागि शाखाको संजाल क्रमिक रुपमा विस्तार गर्दै लाने ।
- कर्जाको गुणस्तरमा सुधार गर्दै लैजाने तथा बैंकले आफ्नो लगानीलाई अर्थव्यवस्थाको तल्लो तहसम्म पुऱ्याउनको लागि उपभोक्ता कर्जा तथा लघुवित्त कर्जालाई प्राथमिकता दिई साना तथा मझौला कर्जा तथा निक्षेपमा जोड दिई ठोस रणनीतिका साथ कार्य गर्ने ।
- बैंकलाई पूँजीगत, शाखा संजाल, ग्राहक संख्या आदिको दृष्टिकोणबाट सुदृढ बनाई प्रतिस्पर्धी बैंकको रुपमा स्थापित गर्नको लागि अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरुलाई यस सिभिल बैंकमा गाभ्ने वा प्राप्ति गर्ने कार्यलाई निरन्तरता दिने ।
- विप्रेषण सेवाको पहुँच विस्तार गर्न सिभिल बैंक रेमिटका एजेण्ट तथा काउण्टरहरु थप गर्ने ।
- आधुनिक बैंकिङ्ग सेवाका सबै प्रविधिहरु प्रयोग गरी बैंकिङ्ग सेवाको लागि Technology Driven Bank को रुपमा स्थापित गर्ने ।
- बैंकको जोखिम व्यवस्थापनलाई थप सुदृढीकरण गर्दै लगिने र कारोबारसंग सम्बन्धित विविध जोखिम न्यूनिकरण गर्नको लागि आवश्यक पूर्व सतर्कताहरु अपनाउने ।
- अधिकेन्द्रीत जोखिम कम गर्न एवं वजार विविधिकरण गर्न बैंकले साना तथा मझौला प्रकृतिको व्यवसायमा लगानी गर्ने उद्देश्यले SME Banking लाई विस्तार गरिनेछ ।
- बैंकले पिछडिएको तथा ग्रामिण क्षेत्रका जनतालाई लक्षित गरी संचालनमा ल्याएको Micro Banking कार्यक्रमलाई अझ विस्तार गर्दै लगिनेछ ।
- बैंकको Brand विस्तार गर्नको लागि विज्ञापन तथा व्यापार प्रवद्धनका लागि नयाँ नयाँ रणनीति बनाइ अगाडी बढने ।
- व्यापारका नयाँ नयाँ क्षेत्रहरुको पहिचान गर्ने तथा ग्राहक सेवालाई अझ प्रभावकारी बनाउदै लगिनेछ ।
- कर्मचारीलाई दक्षता अभिवृद्धि गर्नको लागि नियमित तालिम दिईनेछ
- बैंकको हालको खराब कर्जालाई प्रभावकारी रुपमा व्यवस्थापन गरिनेछ ।

यस वाहेकका सञ्चालक समितिको अन्य धारणाहरु सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।

(४) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

ग्राहकका आयात निर्यात तथा अन्तर्राष्ट्रिय कारोबारलाई सहजता प्रदान गर्न अन्तराष्ट्रिय स्तरमा राम्रो संजाल र राम्रो वित्तीय अवस्था भएका बैंक तथा वित्तीय संस्थासंग सम्बन्ध स्थापना गर्नुपर्ने हुन्छ । त्यसका अतिरिक्त विदेशमा रहेका नेपालीहरुलाई सहज रुपमा विप्रेषण मार्फत रकम पठाउनको लागि समेत विभिन्न अन्तराष्ट्रियस्तरमा राम्रो संजाल भएका रेमिटान्स तथा एक्सचेन्ज कम्पनीहरुसंग समेत सम्बन्ध स्थापना गर्नुपर्ने हुन्छ । सो अनुरुप बैंकले भारतको Standard Chartered Bank, Axis Bank तथा HDFC Bank, बेलायतको Standard Chartered Bank UK, जर्मनीको Commerz Bank, अमेरिकाको Standard Chartered Bank, Habib American Bank, अस्ट्रेलियाको National Australia Bank जस्ता बैंकहरुसंग Correspondent Banking सम्बन्ध स्थापना गरी कारोबार गरी आएको छ । विप्रेषण सम्बन्धि कारोवार गर्न Western Union Money Transfer लगायतका अन्तराष्ट्रिय कम्पनीहरुसंग सम्बन्ध स्थापना गरी कारोबार गरी आएको छ ।

यसका साथै इन्टरनेशनल लिजिङ्ग एण्ड फाईनान्स कम्पनी लिमिटेड यस बैंकमा गाभिएछि उक्त संस्थाको विदेशी लगानी कर्ता KDB Capital Korea संग बैंकको सम्बन्ध स्थापना भएको छ ।

(५) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ को दफा १२ को उपदफा (१) बमोजिम यस बैंकको संचालक समिति ९ जनाको हुने गरी गठन गरिएकोमा नयाँ ऐन लागु भएपश्चात सोही बमोजिम हुने गरी ७ जनाको संचालक समिति गठन गर्नु पर्ने भएको हुँदा संस्थापक शेयरधनीहरुबाट ३ जना, सर्वसाधारण शेयरधनीहरुबाट ३ जना र स्वतन्त्र संचालक १ जना गरी ७ जनाको संचालक समिति गठन गरी बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा (१) लाई कार्यान्वयन गर्नको लागि यस बैंकको संस्थापक शेयरधनीहरुको तर्फवाट संचालक समितिमा प्रतिनिधित्व गर्नुहुने संचालक श्री रिता श्रेष्ठ ज्यू र संचालक श्री विनोद लाल श्रेष्ठ ज्यूले आफ्नो व्यवसायीक व्यस्तताको कारणले मिति २०७४ जेठ ७ गते देखि लागु हुने गरी राजिनामा दिनुभएको छ । साथै आफ्नो कार्य व्यस्तताले गर्दा संचालक पदबाट श्री मित्रलाल श्रेष्ठ ज्यू र सृजना शाक्य ज्यूले राजिनामा दिनुभएको छ । सृजना शाक्य (तामाङ्ग) ज्यूले राजिनामा दिए पश्चात रिक्त संचालक पदमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा २ को प्रतिवन्धात्मक वाक्यांश तथा बैंकको नियमावलीको नियम २७ को उपनियम (४) बमोजिम बाँकी अवधिको लागि संस्थापक श्री ई. इच्छा राज तामाङ्ग ज्यूलाई संचालक पदमा नियुक्त गर्ने निर्णय संचालक समितिको २३२ औं बैठकबाट भएको जानकारी गराउदै सो निर्णयलाई यसै सम्मानित सभाबाट अनुमोदन गरिदिन हुन अनुरोध गर्दछु। स्वतन्त्र संचालक प्रा. डा. रमेश दाहाल ज्यूको कार्यकाल समाप्त भएकोले मिति २०७५।०३।२९ मा बसेको बैठक नं. २५१ को निर्णय अनुसार स्वतन्त्र संचालक पदमा श्री भीमानन्द ढुङगाना ज्यूलाई नियुक्त गरिएको जानकारी गराउदछौ । साथै श्री अम्बिर बोगटीज्यूले संचालक पदमा यथावत रहने गरि बैंकको अध्यक्ष पदबाट पेश गर्नु भएको राजिनामा स्वीकृत भएकोले २०७४ साल पौष ३ गते बसेको संचालक समितिको २३३ औं बैठकबाट ई. इच्छा राज तामाङ्ग ज्यूलाई अध्यक्ष चयन गरिएको छ । तेस्रो साधारण सभाबाट सर्वसाधारण शेयरधनिहरुको तर्फबाट प्रतिनिधित्व संचालक समितिमा प्रतिनिधित्व गरिरहनुभएका संचालकहरु श्री घनेन्द्रवहादुर श्रेष्ठ तथा श्री संगम के.सी. ज्यूको पदावधि पौष मसान्तमा समाप्त हुने भएकोमा बैंकको संचालक समितिमा सर्वसाधारण समूहको प्रतिनिधत्व गर्ने संचालक नहुने अवस्था रहने भएको कारणले गर्दा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा २ (ख) को प्रतिवन्धात्मक वाक्यांश बमोजिम आगामी साधारण सभा नभएसम्मको लागि संचालक पदमा श्री घनेन्द्रबहादुर श्रेष्ठ तथा श्री संगम के.सी.ज्यूलाई पुनः नियुक्ति गरी संचालक पदमा निरन्तरता दिने निर्णय संचालक समितिको २३४ औं बैठकबाट भएको जानकारी गराउदै सो निर्णयलाई यसै सम्मानित सभाबाट अनुमोदन गरिदिन हुन अनुरोध गर्दछु । बैंकको संचालक समिति ९ जनाको हुने गरी गठन गरिएकोमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा (१) लाई कार्यान्वयन गर्नको लागि संचालक समितिको निर्णयबाट संस्थापक शेयरधनीहरुबाट ३ जना, सर्वसाधारण शेयरधनीहरुबाट ३ जना र विशेषज्ञ संचालक १ जना गरी ७ जनाको संचालक समिति गठन गर्ने निर्णय भए अनुरुप यस साधारण सभाबाट नियमावलीमा संशोधन प्रस्ताव पेश गरिएको छ साथै बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ लाई आधार मानी संचालक समितिले गरेको निर्णय अनुरुप संचालकहरुको निर्वाचन यसै साधारण सभाबाट सम्पन्न गरी पूर्ण संचालक समिति बन्नेछ । बैंकमा हाल छ जनाको संचालक समिति रहेको छ ।

(६) कारोबारलाई असर पार्ने मुख्य कुराहरू :

- राष्ट्रीय पूँजी निर्माणमा सिमितता, विप्रेषणमा कमी, सरकारी खर्चमा निरन्तरताको अभावले निक्षेप परिचालनमा अभाव तथा अस्थिरता ।
- बैंकबाट प्रदान गरिने कर्जा तथा गैह्र कोषमा आधारित सेवाहरु उपलब्ध गराउदा हुन सक्ने जोखिमहरु ।
- तरलतामा हुने उतार चढाव तथा सोको कारणबाट सम्पति र दायित्व तथा निक्षेप तथा कर्जाको व्याजदर व्यवस्थापनमा चुनौतिहरु ।
- यथासमयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरू ।
- विदेशि विनिमय कारोवार गर्दा विनिमय दरमा हुने परिवर्तनबाट हुन सक्ने संभावित जोखिमहरु ।
- राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट हुन सक्ने संभावित जोखिमहरु ।
- पूँजि बजारमा आउन सक्ने उतार चढावबाट हुन सक्ने संभावित जोखिमहरु ।
- अन्तर्राष्ट्रिय बजारमा हुने मन्दीबाट नेपाली बजारमा पर्न सक्ने असरबाट हुन सक्ने आर्थिक जोखिमहरू ।
- विभिन्न प्राकृतिक प्रकोपबाट श्रृजना हुनसक्ने जोखिमहरु ।
- तिब्रतर बैंकिङ्ग प्रतिस्पर्धाको कारणले कर्जा तथा लगानीको दायरा साँघुरिएर लगानीकर्ताहरुलाई निरन्तर प्रतिफल प्रदान गरिरहने चुनौति ।
- वैकल्पिक लगानीको क्षेत्रहरुको अभाव ।

(७) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिकृया :

समिक्षा आर्थिक वर्षको लेखापरीक्षण प्रतिवेदनमा सारभुत कैफियत नभएको । बैंकको नियमित बैंकिङ्ग कारोवारको सिलसिलामा हुने सामान्य कैफियत (टिप्पणी) हरु उपर सञ्चालक समितिको ध्यानाकर्षण भएको र सुधारात्मक कदमहरु चाल्न र भविष्यमा नदोहोरिने व्यवस्था मिलाउन बैंक व्यवस्थापनलाई निर्देशन समेत दिईएको छ ।

(८) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

आ.व. २०७३/०७४ को मुनाफाबाट हकप्रद शेयर समेत गरि कायम हुन आएको हालको चुक्ता पूँजी रु.७,२५,९३,१०,३६१।८० (अक्षरेपी सात अर्ब पच्चिस करोड त्रियानब्बे लाख दश हजार तीन सय एकसट्ठी रुपैया असि पैसा मात्र) को १०.२५% का दरले हुन आउने रु. ७४,४०,७९,३१२।०८ (अक्षरेपी चौहत्तर करोड चालिस लाख उनासी हजार तीन सय बाह्र रुपैया आठ पैसा मात्र) बराबरको बोनश शेयर र कर प्रयोजनको लागि ०.५४% का दरले हुन आउने रु. ३,९१,६२,०६९।०६ (अक्षरेपी तीन करोड एकानब्बे लाख बैसट्ठी हजार उनन्सतरी रुपैया छ पैसा मात्र) नगद लाभांश तथा आ.व.२०७४/०७५ मा चुक्ता पूँजीको ४.०५% का दरले हुन आउने रु.२९,४०,०२,०६९।६५ (अक्षरेपी उन्नतिस करोड चालिस लाख दुई हजार उनान्सत्तरी रुपैया पैसट्ठी पैसा मात्र) नगद लाभांश दिने प्रस्ताव गरिएको छ ।

(९) **शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण :**

समिक्षा अवधिमा कुनै शेयर जफत गरिएको छैन ।

(१०) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :

समिक्षा अवधिमा नै बैंकले सिभिल क्यापिटल मार्केट लिमिटेडको ५२.८४ प्रतिशत शेयर खरिद गरी सहायक कम्पनीको रुपमा संचालन गर्दै आएको छ । आ. व. २०७३/०७४ को मुनाफाबाट उक्त सहायक कम्पनीले २५ प्रतिशत वोनश शेयर तथा १.२५ प्रतिशत नगद लाभांश तथा आ. व. २०७४/०७५ को मुनाफाबाट ८.४२ प्रतिशत नगद लाभांश वितरण गरेको थियो । यसका अलावा इन्टरनेशनल

लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेडसंगको मर्जर पश्चात आइएलएफसिओ माईक्रो फाईनान्स लिमिटेडको नाम परिवर्तन गरि सिभिल लघुवित्त वित्तीय संस्थाको नामबाट यस बैंकको सहायक कम्पनीको रुपमा संचालन हुदै आएको छ । आ. व. २०७३/०७४ को मुनाफाबाट सिभिल लघुवित्त वित्तीय संस्थाले ४.५ प्रतिशत वोनश शेयर तथा ०.२३६८४ प्रतिशत नगद लाभांश तथा आ. व. २०७४/०७५ को मुनाफाबाट सिभिल लघुवित्त वित्तीय संस्थाले ४.०० प्रतिशत वोनश शेयर तथा ३.८९ प्रतिशत नगद लाभांश वितरण गरेको थियो ।

(११) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन : बैंकले समिक्षा अवधिमा गरेको कारोबारहरु माथि उल्लेख भइसकेको ।

(१२) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी: आधारभूत शेयरधनीहरुले कुनै जानकारी उपलब्ध नगराएको ।

(१३) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी :
यस बैंकका निम्न संचालकहरुको देहाय बमोजिम शेयर स्वामित्व कायम रहेको र बैंकका अन्य पदाधिकारीहरुले कर्मचारी शेयर अन्तरगत प्राथमिक शेयर जारी गर्दा शेयर धारण गरेको तर शेयर कारोबारमा संलग्न भएको कुनै जानकारी बैंकलाई प्राप्त नभएको ।

संचालकको नाम, थर	पद	शेयर समुह	जम्मा कित्ता
ई. ईच्छा राज तामाङ्ग	अध्यक्ष (संस्थापक शेयरधनी समूह)	संस्थापक	२३,८९,९३९
		सर्वसाधारण	४,०६,८९४
श्री अम्बीर बोगटी	संचालक (संस्थापक शेयरधनी समूह)	संस्थापक	१,५४,६४१
		सर्वसाधारण	३५,८३०
श्री प्रकाश तायल	संचालक (संस्थापक शेयरधनी समूह)	संस्थापक	३,१६,३०९
		सर्वसाधारण	५३,८५३
श्री घनेन्द्र बहादुर श्रेष्ठ	संचालक (सर्वसाधारण शेयरधनी समूह)	सर्वसाधारण	८३७
श्री संगम के.सी.	संचालक (सर्वसाधारण शेयरधनी समूह)	सर्वसाधारण	६६३
श्री भीमानन्द ढुङगाना	स्वतन्त्र सञ्चालक	सर्वसाधारण	२५१

(१४)विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा: केही नभएको ।

(१५) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :
बैंकले समिक्षा अवधिमा आफ्नो शेयर आफैले खरीद गरेको छैन ।

(१६) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :

संचालक समितिले नेपाल राष्ट्र बैंकको एकिकृत निर्देशन , बैंक तथा वित्तीय संस्था सम्बन्धी ऐन तथा कम्पनी ऐनको अधिनमा रही लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति तथा सम्पति शुद्धीकरण निवारण सम्बन्धी समिति गठन गरिएको छ । समितिहरुले समय समयमा बैठक बसी निर्देशनमा भएका व्यवस्थाहरुको आधारमा काम तथा जिम्मेवारी पुरा गर्दछन ।

बैंकमा आन्तरिक नियन्त्रण प्रणाली व्यवस्था बमोजिम बैंकको लेखापरीक्षण समितिको मातहतमा आन्तरिक लेखापरीक्षण विभागको व्यवस्था रहेको छ। यस विभागले लेखापरीक्षण गरी समिति समक्ष आफ्नो प्रतिवेदन पेश गर्दछ। साथै कर्जा तथा कानूनी जोखिमहरु न्यूनिकरण गर्ने उद्देश्यले जोखिम नियन्त्रण (Risk Control) तथा कानून विभागको प्रत्यक्ष संलग्नतामा कर्जा प्रशोधन कार्य गर्ने प्रबन्ध गरिएको छ । बैंकमा छुट्टै अनुपालना विभाग (Compliance Department) को व्यवस्था भएकोले सो विभागवाट नियमित अनुपालनाको अनुगमन गर्ने गरिएको छ । साथै बैंकका सम्पूर्ण हरहिसाव अत्याधुनिक कम्प्युटर सफ्टवेयरको माध्यमवाट संचालन गर्ने गरिएको छ ।

(१७) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :
आ.व. २०७३/०७४ तथा २०७४/०७५ मा भएको कूल व्यवस्थापन खर्चको विवरण निम्नानुसार रहेको छ :-

विवरण	आ.व. २०७३/०७४	आ.व. २०७४/०७५
कर्मचारी खर्च	रु. ३६,३१,९१,५९२	रु. ५५,८४,१३,२३३
कार्यालय सञ्चालन खर्च	रु. ३२,२५,४३,७३५	रु. ४३,४२,६२,२६०
कुल व्यवस्थापन खर्च	रु. ६८,५७,३५,३२७	रु. ९९,२६,७५,४९३

(१८) लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :
बैंकको लेखापरीक्षण समितिका सदस्यहरु निम्न बमोजिम रहेको छ

क) श्री प्रकाश तायल	- संचालक	-	संयोजक
ख) श्री घनेन्द्र बहादुर श्रेष्ठ	- संचालक	-	सदस्य
ग) आन्तरिक लेखापरीक्षण विभाग प्रमुख		-	सदस्य सचिव

लेखापरीक्षण समितिका संचालक सदस्यलाई बैठक भत्ता संचालक समितिको बैठकमा उपस्थित भएवापत प्रदान गरिने भत्ता बराबरको भत्ता प्रदान गरिएको र अन्य कुनै सुविधा प्रदान गरिएको छैन ।

(१९) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठीत संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा : नभएको ।

(२०) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

- प्रवन्ध संचालक पद नभएको । संचालकहरुले संचालक समितिको वैठकमा उपस्थित भए बापत प्रति बैठक संचालक समितिका अध्यक्षले रु.१०,०००/- र संचालकहरुले रु. ८,०००/- बैठक भत्ता प्रदान गर्ने गरिएकोछ ।
- कार्यकारी प्रमुख तथा अन्य कार्यकारी पदाधिकारी/व्यवस्थापकहरूको आर्थिक वर्ष २०७३/७४ र २०७४/७५ को वार्षिक तलव, भत्ता सुविधाहरू :

आर्थिक वर्ष २०७३/७४

क्र.सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी /व्यवस्थापक
१.	तलब	१,००,८०,०००।००	३,९९,२७,२८४।८५
२.	भत्ता	४३,२०,०००।००	२,२६,२६,९२६।७२
३.	दशै खर्च	१२,००,०००।००	४१,३३,८९९।००
४.	संचय कोष	१०,०८,०००।००	३९,९२,७२८।५०
५.	बोनश	गाडी सुविधा, चालक, मोवाईल खर्च, बीमा, ऐन बमोजिम बोनस	गाडी सुविधा, चालक, मोवाईल खर्च, बीमा, आवास कर्जा, सामाजिक कर्जा, ऐन बमोजिम बोनस

आर्थिक वर्ष २०७४/७५

क्र.सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी /व्यवस्थापक
१.	तलब	६८,१९,०२३।४४	४,६०,३७,०४४।३४
२.	भत्ता	२८,२०,१५०।००	२,६१,९६,८७४।८२
३.	दशै खर्च	७,६७,९००।००	४५,४२,८२०।४१
४.	संचय कोष	६,८१,९०२।३४	४६,०३,७०४।४५
५.	बोनश	गाडी सुविधा, चालक, मोवाईल खर्च, बीमा, ऐन बमोजिम बोनस	गाडी सुविधा, चालक, मोवाईल खर्च, बीमा, आवास कर्जा, सामाजिक कर्जा, ऐन बमोजिम बोनस

(२१) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकम : आर्थिक वर्ष २०७३/०७४ सम्ममा शेयरधनीहरुले **रु. ४,९५,४९,३६९** नगद लाभांस रकम बुझिलिन बांकी रहेकोमा आर्थिक वर्ष २०७३/०७४ को आषाढ मसान्तमा सो रकम **रु. ४,२०,८०,३८९** रहेको छ। (यो रकम साविकको पशुपति डेभलपमेण्ट बैंक, उद्यम विकास बैंक, एक्सिस डेभलपमेण्ट बैंक, सिभिल मर्चेन्ट वित्तीय संस्था लिमिटेड, इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेड, युनिक फाईनान्स लिमिटेड तथा हामा मर्चेन्ट फाईनान्स लिमिटेडले घोषणा गरेको लाभांश समेत हो) ।

(२२) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण : समिक्षा अवधिमा बैंकिङ्ग कारोबारको लागि आवश्यक सम्पत्ति बाहेक अन्य सम्पत्तिहरु खरिद वा बिक्री नभएको ।

(२३) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण : समिक्षा अवधिसम्म यस बैंकको सहायक कम्पनीसंग भएको कारोबारको विवरण सम्बन्धित अनुसूचीमा उल्लेख गरिएको छ ।

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ संग सम्बन्धित अनुसूची–१५ बमोजिमको वार्षिक विवरण

१. सञ्चालक समितिको प्रतिवेदन : वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

२. लेखापरीक्षकको प्रतिवेदन : वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण: वार्षिक प्रतिवेदनको सम्बन्धित शिर्षक अन्तर्गत राखिएको ।

४. कानुनी कारवाही सम्बन्धी विवरण :

क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :
आर्थिक वर्ष २०७३/७४ र २०७४/७५ मा बैंकले वा बैंकको विरुद्ध बैकिङ्ग कारोवारको सिलसिलामा क्रमश २६ र ३८ वटा मुद्धा विभिन्न अदालतहरुमा विचाराधिन रहेको छ ।

ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्ध प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए :
यस सम्वन्धमा बैंकलाई कुनै जानकारी प्राप्त नभएको ।

ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए :
यस सम्वन्धमा बैंकलाई कुनै जानकारी प्राप्त नभएको ।

५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिको विश्लेषण :

क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा :
नेपाल धितोपत्र वोर्डको रेखदेखमा धितोपत्रबजारमा खुल्ला बजारले निर्धारण गरे अनुरुप कारोबार हुने हुंदा बैंक व्यवस्थापन तटस्थ छ ।

ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन :
गत आर्थिक बर्षमा शेयरको अधिकतम, न्यूनतम, अन्तिम मूल्य, कारोबार संख्या र कारोवार भएको दिनको विवरण (नेपाल स्टक एक्सचेन्ज लिमिटेडको वेभसाइट अनुसार) निम्न बमोजिम रहेको छ :

आ. व. २०७३/०७४

क्र.सं.	विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेश्रो त्रैमास	चौथो त्रैमास
१	अधिकतम मूल्य	मर्जर प्रक्रियामा रहेकोले कारोबार नभएको ।	३६९	३१६	२७६
२	न्यूनतम मूल्य		२३३	१९८	२३५
३	अन्तिम मूल्य		२५२	२८०	२४६
४	कारोवार संख्या		८,७९६	६,४३६	४,०७३
५	कारोबार दिन		५१	५९	५७

आ. व. २०७३/०७४

क्र.सं.	विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेश्रो त्रैमास	चौथो त्रैमास
१	अधिकतम मूल्य	२७२	२५०	१७९	१७६
२	न्यूनतम मूल्य	२१९	१७७	१४०	१४१
३	अन्तिम मूल्य	२३२	१८०	१५१	१५३
४	कारोवार संख्या	३,९५४	४,८३५	३,५८१	४,५९४
५	कारोबार दिन	५६	५७	५६	६३

६. समस्या तथा चुनौतीहरु :

(१) आन्तरिक समस्या र चुनौती :

(क) शाखा विस्तार तथा बढ्दो मुद्रास्फितिका कारण संचालन खर्चमा बृद्धि ।
(ख) शाखा विस्तार तथा नयाँ सेवा शुरु गर्नको लागि आवश्यक दक्ष जनशक्तिको अभाव ।
(ग) ब्याजदर अन्तर कम गनुपर्ने ।
(घ) निष्कृय कर्जाको प्रतिशत घटाउनु पर्ने ।
(ङ) सर्वसाधारणको निक्षेपको अंश बढाई निक्षेप लागत कम गर्नु पर्ने ।
(च) दक्ष कर्मचारीहरु पलायन हुनबाट रोक्नु पर्ने ।

(२) वाह्य चुनौतीहरु :

(क) बैंक तथा वित्तीय संस्थाहरुको संख्यामा भएको वृद्धिले सिर्जना गरेको प्रतिस्पर्धा ।
(ख) सिमित लगानी क्षेत्रमा भएको प्रतिस्पर्धा ।
(ग) तरलतामा हुने उतार चढाव तथा सोको कारणबाट सम्पति र दायित्व तथा निक्षेप तथा कर्जाको व्याजदर व्यवस्थापनमा चुनौतिहरु ।
(घ) लगानी मैत्री वातावरणको समस्या ।
(ङ) सरकारको पूँजीगत खर्चमा भएको कमि र न्यून तरलता ।

७. संस्थागत सुशासन :

(क) संस्थागत सुशासनको उल्लंघनलाई शुन्य सहनशिलताको नीतिलाई निरन्तरता दिइदै आएको छ । बैंकको लगानीकर्ता शेयरधनीहरु, सर्वसाधारण निक्षेपकर्ताहरु, कर्मचारी, ऋणी लगायत सम्बद्ध सवै सरोकारवालाहरुको हितको संरक्षणमा विशेष प्राथमिकता दिदै आएको छ ।

(ख) प्रचलित नेपाल कानून, नेपाल राष्ट्र बैंक लगायतका नियमनकारी निकायबाट जारी भएका निर्देशन परिपत्रहरु एवं बैंकको नीति नियमहरुको अक्षरसः परिपालना गर्दै आएको छ ।

(ग) बैंकको अनुपालना विभाग (Compliance Department) र आन्तरिक लेखापरीक्षण विभाग (Internal Audit) को गठन गरि सो मार्फत संस्थागत सुशासन परिपालनाको प्रत्याभुति तथा सोको प्रभावकारिताको अनुगमन, निरीक्षण तथा परीक्षण गरी आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गरिएको छ ।

(घ) संचालक समितिको प्रत्येक बैठकमा विगतमा भएको निर्णयको कार्यान्वयन र बैंकको कारोबारको अवस्थाको बारेमा बैंक व्यवस्थापनबाट जानकारी लिई आवश्यकता अनुसार बैंकको हितमा कार्य गर्न व्यवस्थापनलाई निर्देशन दिने गरेको ।

८. विवरणपत्रमा प्रक्षेपण गरिएका र लेखापरीक्षण भएको विवरणहरुमा बीस प्रतिशत वा सो भन्दा बढी फरक सम्बन्धी विवरण:

सम्पति दायित्व हिसाव

रु हजारमा

पूँजी तथा दायित्व	प्रक्षेपित २०७४/०७५	लेखापरिक्षण पश्चात २०७४/०७५	फरक	फरक प्रतिशतमा	फरक हुनाका कारणहरु
शेयर पूँजी	८,०००,२७९	७,२५९,३१०	(७४०,९६८)	(१०·२१)	
जगेडा तथा कोषहरु	१,०१२,२४०	२,५९०,६०५	१,५७८,३६५	६०·९३	नियमनकारी समायोजन कोषको थप, एक्रुयल आधारमा जनाइएको ब्याज आमदानी, बीमांकिक मुल्याङ्नमा आएको फरकले, वित्तीय सम्पतिको फेयर भ्यालु गणना भएको परिवर्तन,स्थग्न कर दायित्वमा आएको फरक
नियन्त्रण नहुने स्वार्थ	-	-	-	-	
ऋणपत्र तथा बण्ड	-	-	-	-	
तिर्न बाँकी कर्जा सापटी	४७६,१३०	१,३०८,४२४	८३२,२९४	६३·६१	अन्तर बैंक सापटीमा भएको बृद्धिले
निक्षेप दायित्व	४२,६३८,४२६	४०,०१२,६७३	(२,६२५,७५३)	(६·५६)	
भुक्तानी दिनु पर्ने बिलहरु	२६,८९४	६९,२७०	४२,३७६	६११८	ग्राहक तथा साहुहरुको चेक/ डाफ्त मागर्थमा हुनाले
प्रस्तावित तथा भुक्तानी दिन बाँकी लाभांश	८००,०२८	-	(८००,०२८)	(१००·००)	NFRS बमोजिमको वित्तीय विवरणमा वार्षिक साधारण सभाबाट पारित नभएसम्म वासतलातमा लाभांशको हिसाव समावेश नगरीहुनाले
आयकर दायित्व (खुद)	४५५,६८१	-	(४५५,६८१)	(१००·००)	अग्रिम आयकरनै पर्याप्त भएको कारण
अन्य दायित्व	५९४,४७३	६८४,९४७	९०,४७४	१३·२१	
कूल पूँजी तथा दायित्व	**५४,००४,१५१**	**५१,९२५,२२९**	**(२,०७८,९२२)**	**(४·००)**	
सम्पत्ति	**प्रक्षेपित २०७४/०७५**	**लेखापरिक्षण पश्चात २०७४/०७५**	**फरक**	**फरक प्रतिशतमा**	**फरक हुनाका कारणहरु**
नगद मौज्दात	१,४१९,०८५	१,१९३,६९९	(२२५,३८५)	(१८·८८)	
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	४,९६६,७९६	२,१७८,८९०	(२,७८७,९०६)	(१२७९५)	आवश्यक वित्तीय व्यवस्थापन
बैक /वित्तीय संस्थामा रहेको मौज्दात	१,२६१,४०८	१,८०४,३७७	५४२,९६८	३०·०९	आवश्यक वित्तीय व्यवस्थापन
माग तथा अल्प सूचनामा प्राप्त हुने रकम	२३६,५१४	-	(२३६,५१४)	(१००)	
लगानी	७,५७३,२११	५,६४७,०८९	(१,९२६,१२२)	(३४·११)	लगानी योग्य रकमको अभावका कारण
कर्जा सापट तथा बिल खरिद	३७,१५१,०५४	४०,१२२,९४४	२,९७१,८९०	७४१	
स्थिर सम्पत्ति	३२९,४१४	२९६,४७६	(३२,९३८)	(११·११)	
गैर बैंकिङ्ग सम्पत्ति (खुद)	-	-	-	-	
अन्य सम्पत्ति	१,०६६,६६९	६८१,७५४	(३८४,९१४)	(५६·४६)	विविध आसामीहरुमा भएको परिवर्तन
कूल सम्पत्ति	**५४,००४,१५१**	**५१,९२५,२२९**	**(२,०७८,९२२)**	**(४·००)**	

नाफा नोक्सान हिसाव

रु हजारमा

विवरण	प्रक्षेपित २०७४/०७५	लेखापरिक्षण पश्चात २०७४/०७५	फरक	फरक प्रतिशतमा	कारण
ब्याज आम्दानी	३,९३४,६१८	४,४४१,८५८	५०७,२४०	११·४२	
ब्याज खर्च	२,२४२,५०५	३,०३३,४६१	७९०,९५६	२६·०७	ब्याजदरको कारण
खुद ब्याज आम्दानी	**१,६९२,११३**	**१,४०८,३९७**	**(२८३,७१५)**	**(२०१४)**	
कमिशन तथा डिस्काउण्ट	१४४,७५९	१०२,४५६	(४२,३०३)	(४१·२९)	कर्जा तथा अन्य बैंकिङ्ग सुविधामा भएको कमीले
अन्य संचालन आम्दानी	१४८,५९९	१६५,२३०	१६,६३१	१०·०७	
सटही घटवढ आम्दानी	१२८,८३९	१६८,९३२	४०,०९३	२३·७३	डेरीभेटिभको कारोबारमा बृद्धिहुनाले
कुल संचालन आम्दानी	**२,११४,३१०**	**१,८४५,०१६**	**(२६९,२९४)**	**(१४·६०)**	
कर्मचारी खर्च	४१२,८१२	४६८,८८८	५६,०७७	११·९६	
अन्य संचालन खर्च	३८२,८०५	४३४,२६२	५१,४५८	११·८५	
सटही घटवढ नोक्सान	-	-	-	-	
सम्भावित नोक्सनी ब्यवस्था अघिको संचालन मुनाफा	**१,३१८,६९४**	**९४१,८६५**	**(३७६,८२९)**	**(४०·०१)**	
सम्भावित नोक्सानी	(५९,३०६)	(८,८१८)	५०,४८८	(५७२·५७)	खराव कर्जामा भएको कमीले
संचालन मुनाफा/(नोक्सान)	**१,२५९,३८८**	**९३३,०४८**	**(३२६,३४१)**	**(३४·९८)**	
गैर संचालन आम्दानी/(नोक्सान)	११,४४२	६८६	(१०,७५६)	(१,५६८·३१)	
सम्भावित नोक्सानी ब्यबस्थाबाट फिर्ता	४००,०००	१३४,६४९	(२६५,३५१)	(१९७०७)	कर्जा असुलीको कारण
नियमित कारोवारबाट भएको मुनाफा	**१,६७०,८३०**	**१,०६८,३८३**	**(६०२,४४८)**	**(५६·३९)**	
असामान्य कारोवारबाट भएको मुनाफा/(खर्च)	-	(८३,६०८)	(८३,६०८)	१००·००	खराव कर्जाको अपलेखन तथा अपलेखित कर्जाको असुलीको खुद
सम्पूर्ण कारोवार समावेश पछिको खुद नाफा	**१,६७०,८३०**	**९८४,७७४**	**(६८६,०५६)**	**(६९·६७)**	
कर्मचारी बोनस ब्यवस्था	१५१,८९४	८९,५२५	(६२,३६९)	(६९·६७)	सन्चालन आम्दानीमा भएको कमीले
आयकर ब्यबस्था	४५५,६८१	२६५,३५०	(१९०,३३१)	(७१·७३)	
खुद मुनाफा/(नोक्सान)	**१,०६३,२५७**	**६२९,८९९**	**(४३३,३५७)**	**(६८·८०)**	

सिभिल बैंक लिमिटेड
प्रबन्धपत्रमा संशोधन, २०७५
तीन महले

दफा	हालको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
दफा ५	यस बैंकले दफा ४ बमोजिमको उद्देश्य प्राप्त गर्न कम्पनी ऐन,२०६३ को दफा १८ को उपदफा (१) को खण्ड (घ) र बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ को दफा ४७ को उपदफा (१) बमोजिम "क" वर्गको इजाजतपत्र प्राप्त संस्थाको रूपमा रहने गरी सो ऐन, कम्पनी कानून तथा अन्य प्रचलित कानूनको अधीनमा र ही देहाय बमोजिमका कार्यहरू गर्न सक्नेछ :-	यस बैंकले दफा ४ बमोजिमको उद्देश्य प्राप्त गर्न कम्पनी ऐन,२०६३ को दफा १८ को उपदफा (१) को खण्ड (घ) र बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४९ को उपदफा (१) बमोजिम "क" वर्गको बैंकको रूपमा रहने गरी सो ऐन, कम्पनी कानून तथा अन्य प्रचलित कानूनको अधीनमा रही देहाय बमोजिमका कार्यहरू गर्न सक्ने :-	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४९ (१) अनुसार मिलान गर्न ।
५ कग **दफा ५ को (च) देखि (ञ) सम्म**	नभएको (च) ब्याज वा विना ब्याजमा निक्षेप स्वीकार गर्ने तथा त्यस्तो निक्षेपको भुक्तानी दिने, (छ) नेपाल राष्ट्र बैंकले तोकिदिए बमोजिम विभिन्न प्रकारका कर्जा दिने, (ज) प्रचलित कानून तथा नेपाल राष्ट्र बैंकले दिएको निर्देशनको अधीनमा रही विदेशी विनिमय कारोवार गर्ने, (झ) हायरपर्चेज, हाइपोथिकेशन, लिजिङ्ग, हाउसिङ्ग तथा सेवा व्यवसायको लागि कर्जा दिने, (ञ) नेपाल राष्ट्र बैंकले दिएको निर्देशनको अधीनमा रही मर्चेण्ट बैंकिङ्ग कारोवार गर्ने (ट) अन्य बैंक वा वित्तीय संस्थाहरुसँग मिली सहवित्तीयकरणको आधारमा धितो विभाजन (पारीपासु) गर्ने गरी आपसमा भएको सम्झौता अनुसार संयुक्त रुपमा कर्जा दिने, दिलाउने व्यवस्था गर्ने, (ठ) स्वदेशी वा विदेशी बैंक वा वित्तीय संस्थाको जमानतमा कर्जा दिने, (ड) आफ्नो ग्राहकको तर्फबाट जमानतपत्र जारी गर्ने र सो बापत ग्राहकसँग आवश्यक शर्त गराउने, सुरक्षण लिने, निजको चल अचल सम्पत्ति धितो बन्धक लिने वा तेस्रो व्यक्तिको जेथा जमानत लिने, (ढ) प्रतीतपत्र, प्रतिज्ञापत्र, विनिमयपत्र, चेक, यात्रुचेक, ड्राफ्ट वा अन्य वित्तीय उपकरण निश्काशन गर्ने, स्वीकार गर्ने, भुक्तानी दिने, डिस्काउण्ट गर्ने वा खरीद बिक्री गर्ने,	(कग) सम्बन्धित निकायको स्वीकृति लिनुपर्ने भए सो समेत लिई बैंक आफै वा सहायक कम्पनी मार्फत शेयर दलाल (Share Broker) सम्बन्धी कार्य गर्ने , (च) ब्याज वा विना ब्याजमा निक्षेप स्वीकार गर्ने वा विभिन्न वित्तीय उपकरण मार्फत निक्षेप परिचालन गर्ने र तिनको भुक्तानी दिने, (छ) विद्युतीय उपकरण वा साधनको माध्यमबाट निक्षेप स्वीकार गर्ने, भुक्तानी दिने, लेनदेन गर्ने, मध्यस्थताको काम गर्ने र रकमान्तर गर्ने, (ज) हायर पर्चेज, लिजिङ्ग, हाउजिङ्ग, अधिविकर्ष लगायतका कर्जा दिने, (झ) परियोजना तथा हाइपोथिकेशन धितो राखी कर्जा दिने एवं सहवित्तीयकरणको आधार मा धितो विभाजन (पारी पासु) गर्ने गरी आपसमा भएको सम्झौता अनुसार संयुक्त रुपमा कर्जा दिने दिलाउने व्यवस्था गर्ने, (ञ) विदेशी बैंक वा वित्तीय संस्थाको जमानतमा कर्जा दिने, (ट) आफू कहाँ पहिले नै धितो रहिसकेको चल अचल सम्पत्तिको मूल्यले खामेसम्मको रकम कर्जा दिने वा अन्य बैंक वा वित्तीय संस्थामा धितो रहिसकेको चल अचल सम्पत्तिको पुन: धितोमा त्यसको मूल्यले खामेसम्मको रकम कर्जा दिने, (ठ) आफ्नो ग्राहकको तर्फबाट जमानतपत्र जारी गर्ने र सो बापत ग्राहकसँग आवश्यक शर्त गराउने, निजको चल अचल सम्पत्ति धितो बन्धक लिने वा तेस्रो व्यक्तिको जेथा जमानत लिने र धितोबन्धक, सुरक्षणमा लिएको सम्पत्ति प्राप्त गर्ने, धारण गर्ने तथा सो सम्बन्धी अन्य कारोबार गर्ने,	शेयर ब्रोकरेज सम्बन्धी कार्य गर्न नयाँ व्यवस्था थप गर्नुपर्ने भएकोले । बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ ले "क" वर्गको बैंकले गर्न सक्ने भनी तोकेको कारोवार समेतलाई समायोजन गरी मिलान गर्न ।

	(ण) नेपाल राष्ट्र बैंकले दिएको निर्देशनको अधीनमा रही टेलिफोन, टेलेक्स, फ्याक्स, कम्प्यूटर, वा म्याग्नेटिक टेप वा अन्य त्यस्तै प्रकारका विद्युतीय उपकरण वा साधनको माध्यमबाट निक्षेप लिने, भुक्तानी दिने, रकमान्तर गर्ने , (त) नेपाल राष्ट्र बैंकले दिएको निर्देशनको अधीनमा रही क्रेडिट कार्ड, डेबिट कार्ड, चार्ज कार्ड लगायतका अन्य वित्तीय उपकरणहरु जारी गर्ने, स्वीकार गर्ने र सो सम्वन्धी कार्य गर्न एजेन्ट नियुक्त गर्ने , (थ) आफुले पत्याएको व्यक्तिलाई संचालक समितिले निर्धारण गरेको नीति नियम अन्तर्गत रही अधिविकर्ष (Overdraft) कर्जा दिने, (द) अटोमेटेड टेलर मेसिन र क्यास डिस्पेन्सिङ्ग मेसिनको माध्यमबाट निक्षेप लिने, भुक्तानी दिने र कर्जा दिने, (ध) आफूकहाँ पहिले नै धितो रहीसकेको चल अचल सम्पत्तिको मूल्यले खामेसम्मको रकम नियमानुसार पुनः एकैपटक वा पटकपटक गरी कर्जा दिने वा अन्य बैंक वा वित्तीय संस्थामा धितो रहिसकेको चलअचल सम्पत्तिको पुनः धितोमा त्यसको मूल्यले खामेसम्मको रकम नियमानुसार पुनः एकैपटक वा पटकपटक गरी कर्जा दिने, (न) नेपाल राष्ट्र बैंकले तोकेको शर्तमा सो बैंकको एजेण्ट भै नेपाल सरकारको तर्फबाट सर कारी कारोवार लगायत अन्य कारोवार गर्ने , (प) नेपाल राज्यभित्र वा विदेशमा विनिमयपत्र, चेक वा अन्य वित्तीय उपकरणद्वारा रकम पठाउने वा चलान गर्ने, सुन, चाँदी, शेयर, डिवेञ्चर, बण्ड आदि खरिद विक्री गर्ने र शेयरको लाभांश तथा प्रतिज्ञापत्र, डिवेञ्चर, बण्ड आदिको व्याज असूल उपर गर्ने, (फ) ग्राहकको निमित्त कमिशन एजेण्ट भई शे यर, डिवेञ्चर वा सुरक्षणको जिम्मा लिने, खरिद विक्री गरिदिने, शेयरको लाभांश, डिवेञ्चर वा सुरक्षणको व्याज आदि उठाइ दिने र सोको लाभांश, मुनाफा वा व्याज नेपाल राज्यभित्र वा विदेशमा समेत पठाउने, (ब) सेफ डिपोजिट भल्टको व्यवस्था गर्ने, (भ) नेपाल सरकार वा नेपाल राष्ट्र बैंकले जारी गरेको ऋणपत्र खरिद विक्री गर्ने वा सकार गर्ने,	(ड) आवश्यकता अनुसार राष्ट्र बैंकबाट पुनर्कर्जा लिने वा अन्य बैंक वा वित्तीय संस्थाबाट कर्जा लिने दिने, (ढ) परियोजनाको प्रवर्द्धनको लागि नेपाल सरकार वा अन्य स्वदेशी वा विदेशी निकाय मार्फत प्राप्त भएको रकमबाट कर्जा प्रवाह गर्ने वा कर्जा व्यवस्थापन गर्ने, (ण) प्रचलित कर्जा अपलेखन विनियमावलीको अधीनमा रही कर्जा अपलेखन गर्ने, (त) पूँजीकोष पुरा गर्ने प्रयोजनका लागि शेयर, डिबेञ्चर, ऋणपत्र आदि जारी गर्ने, (थ) प्रतीतपत्र, विनिमयपत्र, प्रतिज्ञापत्र, चेक, यात्रु चेक, ड्राफ्ट वा अन्य वित्तीय उपकरण निष्काशन गर्ने, स्वीकार गर्ने, भुक्तानी दिने, डिस्काउण्ट गर्ने वा खरिद बिक्री गर्ने, (द) विद्युतीय कारोबारका लागि डिजिटल वा कार्ड लगायतका वित्तीय उपकरण जारी गर्ने, स्वीकार गर्ने, व्यवस्थापन गर्ने र सो सम्बन्धी कार्य गर्न एजेण्ट नियुक्त गर्ने, (ध) प्रचलित कानूनको अधीनमा रही विदेशी विनिमय कारोबार गर्ने, (न) राष्ट्र बैंकले तोकेको सीमा, शर्त वा निर्देशन बमोजिम सरकारी कारोबार गर्ने, (प) नेपाल सरकार वा राष्ट्र बैंकले जारी गरेको ऋणपत्र खरिद-बिक्री गर्ने वा सकार गर्ने, (फ) नेपालभित्र वा विदेशमा विनिमयपत्र, चेक वा अन्य वित्तीय उपकरणद्वारा रकम पठाउने वा चलान गर्ने, विदेशबाट विप्रेषण प्राप्त गर्ने र सो को भुक्तानी गर्ने, (ब) ग्राहकको निमित्त कमिशन एजेण्ट भई शेयर, डिबेञ्चर वा सुरक्षणको जिम्मा लिने, खरिद-बिक्री गरिदिने, शेयरको लाभांश, डिबेञ्चर वा सुरक्षणको ब्याज आदि उठाई दिने र सोको लाभांश, मुनाफा वा ब्याज नेपालभित्र वा विदेशमा पठाउने, ग्राहकको लागि सेफ डिपोजिट भल्टको व्यवस्था गर्ने, (भ) वासलात बाहिरको कारोबार गर्ने, (म) विपन्न वर्ग, न्यून आय भएको परिवार, दैवी प्रकोप पीडित तथा मुलुकका कुनै क्षेत्रका बासिन्दाको आर्थिक उत्थानको लागि व्यक्तिगत वा सामुहिक जमानीमा राष्ट्र बैंकले तोके बमोजिमको रकमसम्म कर्जा दिने,	

	(म) नेपाल राष्ट्र बैंकले तोकिदिएको शर्तमा वासलात बाहिरको कारोवार गर्ने, (य) विपन्न वर्ग, न्यून आय भएका परिवार, दैवी प्रकोप पीडित तथा मुलुकका कुनै क्षेत्रका बासिन्दाको आर्थिक उत्थानको लागि व्यक्तिगत वा सामूहिक जमानीमा नेपाल राष्ट्र बैंकले तोके बमोजिमको रकमसम्म कर्जा दिने, (र) आफू तथा अन्य कुनै बैंक तथा वित्तीय संस्थाबाट कर्जा लिने ऋणी वा ग्राहकको विवरण, सूचना वा जानकारी नेपाल राष्ट्र बैंक वा कुनै अन्य बैंक वा वित्तीय संस्था वीच लिने दिने, (ल) अन्य कुनै वैंक तथा वित्तीय संस्थाबाट आफ्नो ग्राहकलाई कर्जा उपलब्ध गराउन जमानी बस्ने, (व) नेपाल राष्ट्र बैंकले तोकिदिएको सीमा भित्र रही शेयर, डिवेञ्चर, बण्ड, ऋणपत्र, बचतपत्र वा अन्य वित्तीय उपकरणको माध्यमबाट पूँजी परिचालन गर्ने, (श) आवश्यकतानुसार नेपाल राष्ट्र बैंकबाट पुर्नकर्जा लिने वा अन्य बैंक तथा वित्तीय संस्थालाई कर्जा लिने दिने, (ष) परियोजनाको प्रवर्द्धनका लागि नेपाल सरकार वा अन्य स्वदेशी वा विदेशी निकायबाट प्राप्त भएको रकम कर्जाको रुपमा प्रवाह गर्ने वा कर्जा व्यवस्थापन गर्ने, (स) परियोजना स्थापना, संचालन र मूल्याङ्कन सम्बन्धी अध्ययन, अनुसन्धान, सर्भेक्षण गर्ने, गराउने तथा तालिम, परामर्श र अन्य जानकारी उपलब्ध गराउने, (ह) संचालक समितिले बनाएको विनियमको अधीनमा रही कर्जा अपलेखन गर्ने, (क्ष) कुनै व्यक्ति वा संस्थालाई कर्जा दिंदा वा निजसँग कुनै कारोवार गर्दा आफ्नो हितको संरक्षणका लागि आवश्यकता अनुसार शर्त गराउने, (त्र) आफ्नो जायजेथाको उचित प्रवन्ध वा बिक्री गर्ने र आफ्नो चल अचल, जायजेथा धितो राखी कर्जा लिने (ज्ञ) नेपाल राष्ट्र बैंकले समय समयमा तोकेका अन्य काम गर्ने ।	(य) आफू तथा अन्य बैंक वा वित्तीय संस्थाबाट कर्जा लिने वा कुनै प्रकारको सुविधा लिने ऋणी वा ग्राहकको विवरण, सूचना वा जानकारी राष्ट्र बैंक, सम्बन्धित निकाय वा अन्य बैंक वा वित्तीय संस्थाबीच लिने दिने, (र) सुन, चाँदी खरिद-बिक्री गर्ने, (ल) परियोजना स्थापना, सञ्चालन र मूल्याङ्कन सम्बन्धी अध्ययन, अनुसन्धान, सर्वेक्षण गर्ने गराउने तथा तालीम, परामर्श र अन्य जानकारी उपलब्ध गराउने, (व) यस ऐन र प्रचलित कानून बमोजिम आफ्नो स्वामित्वमा आउने सबै प्रकारका जायजेथाको उचित व्यवस्थापन तथा विक्री गर्ने, (श) प्रचलित कानून बमोजिम दुई वा दुईभन्दा बढी व्यक्तिहरुबीच हुने कुनै कार्य बापत तिर्नु बुझाउनु वा लिनु पर्ने रकम उक्त काम भएपछि भुक्तानी लिने दिने व्यवस्था गर्न दुई पक्षको सहमतिमा जमानी बस्ने, (ष) अन्य कुनै बैंक तथा वित्तीय संस्थाबाट आफ्नो ग्राहकलाई कर्जा उपलब्ध गराउन जमानी बस्ने, (स) नेपाल राष्ट्र ब्रैकले तोकिदिएको सीमाभित्र रही शेयर, डिबेञ्चर, बण्ड, ऋणपत्र, बचतपत्र वा अन्य वित्तीय उपकरणको माध्यमबाट पूँजी परिचालन गर्ने, (ह) कुनै व्यक्ति वा संस्थालाई कर्जा दिँदा वा निजसँग कुनै कारेबार गर्दा आफ्नो हितको संरक्षणका लागि आवश्यकता अनुसार शर्त गराउने, (क्ष) नेपाल राष्ट्र बैंकले तोकिदिए बमोजिम कर्जा दिने, (त्र) सम्बन्धित निकायको स्वीकृति लिनुपर्ने भए सो समेत लिइ आवश्यकता अनुसार बोनस शेयर वा हकप्रद शेयर जारी गर्ने , (ज्ञ) राष्ट्र बैंकले तोकेको अन्य काम गर्ने	

दफा ६ ख	बैंकको जारी पूँजी रु. ७,२५,९३,१०,३६२ (सात अर्व पच्चीस करोड त्रियानब्बे लाख दश हजार तीन सय बैसट्ठी) हुनेछ ।	बैंकको जारी पूँजी रु. ८,००,३३,८९,६७३८८ (आठ अर्व तेत्तिस लाख उन्नानब्बे हजार छ सय त्रिहत्तर रुपैया अठासी पैसा) हुनेछ ।	बोनश शेयर जारी तथा प्राप्ति पश्चात बैंकको जारी पुँजी बृद्धि हुने भएकोले ।
दफा ६ ग	बैंकको जारी पूँजी रु. ७,२५,९३,१०,३६२ (सात अर्व पच्चीस करोड त्रियानब्बे लाख दश हजार तीन सय बैसट्ठी) हुनेछ ।	बैंकको जारी पूँजी रु. ८,००,३३,८९,६७३८८ (आठ अर्व तेत्तिस लाख उन्नानब्बे हजार छ सय त्रिहत्तर रुपैया अठासी पैसा) हुनेछ ।	बोनश शेयर जारी तथा प्राप्ति पश्चात बैंकको जारी पुँजी बृद्धि हुने भएकोले ।
दफा ७ ग	बैंकले कारोबार संचालन गरेको पाँच वर्ष नपुगेसम्म सो संस्थाको संस्थापकले आफ्नो शेयर बिक्री वा धितोबन्धक राख्न पाउने छैन र उक्त अवधिपछि त्यस्तो शेयर बिक्री गर्दा वा धितोबन्धक राख्नु पर्दा नेपाल राष्ट्र बैंकको पूर्व स्वीकृति लिनु पर्नेछ । यस व्यवस्था बमोजिम बैंकले कारोवार संचालन गरेको पाँच वर्ष नपुगे तापनि बैंकको संचालनमा कुनै बाधा व्यवधान उत्पन्न भई विशेष परिस्थितीको सृजना हुन गएमा नेपाल राष्ट्र बैंकको स्वीकृति लिई संस्थापकहरुका बीचमा शेयर खरीद बिक्री गर्न सकिनेछ । तर त्यसरी हक छोड्दा वा हस्तान्तरण गर्दा पहिलो प्राथमिकता जून समूहको शेयर हो सोही समूहको शेयरधनीहरुलाई दिनू पर्नेछ । यसरी शेयर बिक्री गर्दा एक भन्दा बढि शेयरधनीले शेयर खरीद गर्न चाहेमा निजले धारण गरेको शेयरको अनूपातमा वितरण गर्नू पर्नेछ । कूनै पनि संस्थापक शेयरधनीले शेयर लिने इच्छा नगरेमा मात्र त्यस्तो शेयर नेपाल राष्ट्र बैंकको स्वीकृती लिई संचालक समितिको निर्णय बमोजिम अन्य व्यक्ति, फर्म, कम्पनी वा संस्थालाई बिक्री गर्न सकिनेछ ।	बैंकले कारोबार सञ्चालन गरेको कम्तीमा पाँच वर्ष नपुगेसम्म आफ्नो नाममा रहेको शेयर बिक्री गर्न वा धितोबन्धक राख्न पाउने छैन । तर बैंकको सञ्चालनमा कुनै बाधा व्यवधान उत्पन्न भई विशेष परिस्थितिको सिर्जना हुन गएमा वा संस्थापक अन्य बैंक वा वित्तीय संस्थाको वित्तीय कारोबारमा कालोसूचीमा समावेश हुन पुगेमा राष्ट्र बैंकको स्वीकृति लिई संस्थापकहरुबीच एक आपसमा शेयर खरिद वा बिक्री गर्न सकिनेछ । संस्थापकले बैंकले कारोबार सञ्चालन गरेको मितिले पाँच वर्ष पुगेपछि र सर्वसाधारणमा शेयर जारी गरेपछि आफ्नो नाममा रहेको शेयर बिक्री गर्न वा धितोबन्धक राख्न चाहेमा राष्ट्र बैंकको स्वीकृति लिई बिक्री गरेको त्यस्तो शेयर संस्थापक समूहमा नै र हने गरी बिक्री गर्न वा धितोबन्धक राख्न सक्नेछ । तर चुक्ता पूँजीको दुई प्रतिशतभन्दा कम शेयर धारण गर्ने संस्थापकले आफ्नो शेयर बिक्री वा धितो बन्धक राख्दा राष्ट्र बैंकको स्वीकृति लिन आवश्यक पर्ने छैन ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ११ अनुसार मिलान गर्न ।
	प्रबन्धपत्रको विभिन्न दफामा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ भएको ।	प्रबन्धपत्रको विभिन्न दफामा रहेको बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ लाई संशोधन गरि बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ कायम गर्ने ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ लागु भएकोले सोहि अनुरुप मिलान गर्न ।

सिभिल बैंक लिमिटेडको
नियमावलीमा भएको संशोधन, २०७५
तीन महले

नियमावलीको सम्बन्धित नियम	हालको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्नाको कारण
नियम १०	**संस्थापकले लिनु पर्ने शेयर :** बैंकको संस्थापक शेयरधनीले कम्तीमा १,००० कित्ता शेयर लिएको हुनुपर्नेछ । तर बैंक गाभ्ने गाभिने कारणले १,००० कित्ता भन्दा कम शेयर संस्थापक शेयरधनीको नाममा कायम रहन आएको अवस्थामा सोही बमोजिम हुनेछ ।	**संस्थापकले लिनु पर्ने शेयर :**बैंकको संस्थापक शेयरधनीले कम्तीमा १,०० कित्ता शेयर लिएको हुनुपर्नेछ । तर बैंक गाभ्ने गाभिने तथा बिक्रि पश्चात बाकी रहेको शेयरको कारणले १,०० कित्ता भन्दा कम शेयर संस्थापक शेयरधनीको नाममा कायम रहन आएको अवस्थामा सोही बमोजिम हुनेछ ।	मर्जर वा अन्य कारणले संस्थापक शेयरधनीले १,०० कित्ता भन्दा कम शेयर धारण भएकोले ।
नियम २७ को उपनियम १,२ र ३	**संचालक समितिको गठन, संख्या र कार्यकाल :** (१) सञ्चालकहरुको नियुक्ति वा निर्वाचन वार्षिक साधारण सभाबाट हुनेछ । तर, व्यवसायिक विशेषज्ञ सञ्चालकको नियुक्ति समितिले गर्नेछ । (२) यस बैंकमा ९ जनाको सञ्चालक समिति हुनेछ जसमा क समूहमा रहेका संस्थापक समूहबाट मनोनित/निर्वाचित ५ जना, सर्वसाधारण शेयरधनीहरुबाट निर्वाचित ३ जना र १ जना स्वतन्त्र व्यवसायिक विशेषज्ञ सञ्चालक हुनेछन् (३) संचालकको कार्यकाल ४ वर्षको हुनेछ ।	**संचालक समितिको गठन,संख्या र कार्यकाल :** (१) संचालकहरुको निर्वाचन प्रचलित बैंक तथा वित्तीय संस्था सम्बन्धी कानून तथा अन्य प्रचलित कानून र यस नियमावली बमोजिम वार्षिक साधारण सभाबाट हुनेछ । तर स्वतन्त्र सञ्चालकको नियुक्ति संचालक समितिले गर्नेछ र सोको जानकारी नियुक्ति पछि बस्ने पहिलो साधारण सभामा दिनु पर्नेछ । **(२) यस बैंकमा कम्तिमा एक जना महिला सहित ७ जनाको संचालक समिति हुनेछ जसमा क समूहमा रहेका संस्थापक समूहबाट मनोनित/निर्वाचित ३ जना, सर्वसाधारण शेयरधनीहरुबाट निर्वाचित ३ जना र १ जना स्वतन्त्र सञ्चालक हुनेछन् ।** (३) संचालकको कार्यकाल बढीमा ४ वर्षको हुनेछ र निज पुनः नियुक्त वा मनोनित हुन सक्नेछ । तर स्वतन्त्र संचालकको एक कार्यकालको लागि मात्र नियुक्त हुन सक्नेछ ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ (२) र (३) तथा दफा १५ मुताविक मिलान गर्नुपर्ने भएकोले ।
नियम २९ उपनियम १ र २	**व्यवसायिक संचालकको नियुक्ती, संख्या, कार्यकाल, योग्यता, तथा नियुक्ति प्रक्रिया सम्बन्धी व्यवस्था :** (१) ऐनले व्यवस्था गरे बमोजिम राष्ट्र बैंकले कायम गरेको व्यावसायिक विशेषज्ञहरूको सूचीबाट संचालक हुन योग्य भएको ब्यक्ति मध्येबाट ऐनको दफा १७ उपदफा (३) बमोजिम समितिले एक जना स्वतन्त्र व्यवसायिक विशेषज्ञ संचालक नियुक्त गर्नेछ । (२) निजको कार्यकाल नियमावलीमा उल्लेख भए बमोजिम बढीमा ४ वर्षको हुनेछ, र निजको पुनः नियुक्त हुन सक्नेछ ।	**स्वतन्त्र संचालकको नियुक्ती, संख्या, कार्यकाल, योग्यता, तथा नियुक्ति प्रक्रिया सम्बन्धी व्यवस्था :** (१) नेपाल राष्ट्र बैंकले तोकेको विषयमा स्नातकोत्तर गरी राष्ट्र बैंकले तोके बमोजिम सम्बन्धी कानूनले व्यवस्था गरे बमोजिम अनुभव प्राप्त व्यक्तिहरुबाट संचालक समितिले १ (एक) जना स्वतन्त्र संचालक नियुक्ति गर्नेछ र सोको जानकारी त्यस्तो नियुक्ति पछि बस्ने पहिलो साधारण सभामा दिनु पर्नेछ । (२) स्वतन्त्र संचालकको कार्यकाल ४ (चार) वर्षको हुनेछ निज १ (एक) कार्यकालको लागि मात्र नियुक्त हुन सक्नेछ ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ (२) र (३) , दफा १५ तथा दफा १७ मुताविक मिलान गर्न ।
नियम ३०.	**सञ्चालक पुनः नियुक्त हुन सक्ने वा नसक्नेः** एक पटक संचालक भइसकेको व्यक्ति पुनः संचालकमा नियुक्त हुन सक्नेछ	**खारेज गर्ने**	नियम २७ मा समेटिएकोले आवश्यक नरहेको ।

नियम ३८ (१)	**समितिको बैठक सम्बन्धी कार्यविधि :** (१) समितिको बैठक दुईवटा बैठक बीचको फरक दुई महिना भन्दा बढी नहुने गरि वर्षमा कम्तिमा बाह्र पटक बस्नु पर्नेछ। नियम ३७ मा लेखिएको पदाधिकारीले समितिको बैठक बोलाउनेछ। त्यसरी बैठक नबोलाएमा कुल सञ्चालक संख्याको कम्तीमा एक तिहाई प्रतिशत सञ्चालकहरुले लिखित अनुरोध गरेमा अध्यक्षले जुनसुकै बखत समितिको बैठक बोलाउनु पर्नेछ। यसरी माग गर्दा पनि अध्यक्षले बैठक नबोलाएमा सो कुरा खुलाई कम्तीमा पच्चीस प्रतिशत सञ्चालकले बैठकमा छलफल हुने विषय र बैठक बस्ने समय तथा स्थान उल्लेख गरी समितिको बैठक बोलाउन सक्नेछन्। यसरी बैठक बोलाउँदा अन्य सञ्चालकहरुलाई उपनियम (२) अनुसार बैठकको सुचना दिनुपर्नेछ।	**(१) संचालक समितिको बैठक बर्षमा कम्तिमा बाह्र पटक बस्नु पर्नेछ। तर दुई बटा बैठकको बीचको फरक साठी दिन भन्दा बढी हुने छैन।** नियम ३७ मा लेखिएको पदाधिकारीले समितिको बैठक बोलाउनेछ। त्यसरी बैठक नबोलाएमा कुल सञ्चालक संख्याको कम्तीमा एक तिहाई प्रतिशत सञ्चालकहरुले लिखित अनुरोध गरेमा अध्यक्षले जुनसुकै बखत समितिको बैठक बोलाउनु पर्नेछ। यसरी माग गर्दा पनि अध्यक्षले बैठक नबोलाएमा सो कुरा खुलाई कम्तीमा पच्चीस प्रतिशत सञ्चालकले बैठकमा छलफल हुने विषय र बैठक बस्ने समय तथा स्थान उल्लेख गरी समितिको बैठक बोलाउन सक्नेछन्। यसरी बैठक बोलाउँदा अन्य सञ्चालकहरुलाई उपनियम (२) अनुसार बैठकको सुचना दिनुपर्नेछ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा २१ मुताविक मिलान गर्न।
नियम ४१ (१)	**लेखा परीक्षण सम्बन्धी व्यवस्था :** बैंकले कम्पनी सम्बन्धी कानून र नेपाल राष्ट्र बैंकले जारी गरेको निर्देशनको अनुकुल हुने गरी लेखापरीषण समितिको व्यवस्था गर्नेछ।	**लेखा परीक्षण सम्बन्धी व्यवस्था :** बैंकले तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन तथा अन्य प्रचलित कानुन र नेपाल राष्ट्र बैंकले जारी गरेको निर्देशनको अनुकुल हुने गरी लेखापरीक्षण समितिको व्यवस्था गरिने छ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६० मुताविक मिलान गर्न।
नियम ४९ (३)	(क) संगोलको पति वा पत्नी, (ख) संगोलको छोरा, धर्मपुत्र वा छोरी वा धर्मपुत्री, (ग) संगोलको बाबु, आमा, छोरा पट्टीको नाति वा नातिनी, (घ) भिन्न बसेको पति वा पत्नी, छोरा, अविवाहित छोरी, बाबु वा आमा, (ङ) संगोलको बाबुपट्टिको बाजे, बज्यै, दाजु, भाइ, अविवाहिता दिदी वा बहिनी, (च) संगोलको भतिजा, भतिजी, सौतेनी आमा, भिन्न बसेको छोरा पट्टीको नाति वा अविवाहिता नातिनी, (छ) संगोलको काका, विधवा काकी, भाउज्यू, भाइ-बुहारी वा नातिनी-बुहारी, (ज) भिन्न बसेको दाजु वा भाइ, (झ) विवाहिता दिदी, बहिनी, भिन्न बसेका बाजे, बज्यै, विधवा छोरा-बुहारी, नातिनी-बुहारी वा भतिजा। तर, उपरोक्त प्राथमिकताक्रममा पर्ने कोही व्यक्ति नभएको अवस्थामा त्यस्तो निक्षेप उपर हकवालाको दावी रहनेछ र हकवाला पनि नभएको अवस्थामा सो निक्षेप नेपाल सरकार को हुनेछ।	(क) संगोलको पति वा पत्नी, (ख) सगोलको छोरा वा छोरी, धर्मपुत्र वा धर्मपुत्री वा विधवा बुहारी, ग) सगोलको बाबु, आमा, नाति वा नातिनी, घ) भिन्न बसेको पति वा पत्नी, छोरा, छोरी, बाबु वा आमा, छोरा, बुहारी वा विवाहित छोरी, ङ) सगोलको बाजे, बज्यै, दाजु, भाइ, भदा, भदै, दिदी वा बहिनी, भिन्न बसेका बाजे, बज्यै, च) सगोलको सौतेनी आमा, भिन्न बसेको छोरा पट्टिको नाति वा अविवाहित नातिनी, (छ) भिन्न बसेको दाजु वा भाइ, भदा, भदै, दिदी, बहिनी, भतिजा, भतिजी ज) सगोलको काका, विधवा काकी, भाउजु, भाइ बुहारी वा नातिनी बुहारी, (झ) विवाहित दिदी, बहिनी, भिन्न बसेको नातिनी बुहारी। तर उपरोक्त प्राथमिकताका क्रममा कोही व्यक्ति नभएको अवस्थामा प्रचलित कानून बमोजिमको हकवालाको त्यस्तो निक्षेप उपर दाबी नरहेको अवस्थामा सो निक्षेप राष्ट्र बैंकको बैंकिङ्ग विकास कोषमा जम्मा गरी बैंकिङ्ग विकासमा प्रयोग गरिनेछ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १११ (२) र (३) मुताविक मिलान गर्न।
	नियमावलीको विभिन्न दफामा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ भएको।	नियमावलीको विभिन्न दफामा रहेको बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ लाई संशोधन गरि बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ कायम गर्ने ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ लागु भएकोले सोहि अनुरुप मिलान गर्न।

Standing Order(*From Left to Right*): **Mr. Ghanendra Bdr. Shrestha** - Director, **Mr. Sangam KC** - Director, **Mr. Bhimanand Dhungana** - Independent Director
Sitting Order (*From Left to Right*): **Mr. Ambir Bogati** - Director, **Er. Ichchha Raj Tamang** – Chairman, **Mr. Prakash Tayal** – Director

Standing Order(*From Left to Right*):
Mr. Bhesh Raj Khatiwada, Chief Operating Officer
Mr. Suman Acharya, Chief Risk Officer

Sitting Order (*From Left to Right*):
Mr. Sachin Jung Rayamajhi, Chief Credit Officer
Mr. Govinda Gurung, Chief Executive Officer
Mr. Sujit Kumar Shakya, Chief Business Officer

Management Team

Executive Management

Govinda Gurung
Chief Executive Officer

Sujit Kumar Shakya
Chief Business Officer

Sachin Jung Rayamajhi
Chief Credit Officer

Bhesh Raj Khatiwada
Chief Operating Officer

Suman Acharya
Chief Risk Officer

Department Heads

Prasidha Raj Aryal
Country Head Corporate Credit/Projects & Infrastructure

Parmeswor Shrestha
Head Digital Banking

Sagar Poudyal
Head IT

Narayan Sundar Shilpakar
Country Head SME Banking

Prakash Raj Pant
Head Credit Control

Diwas Karki
Head Human Resources

Yub Raj Guragain
Country Head Micro Banking

Shilu Aryal
Country Head Marketing

Govardhan Adhikari
Head Branch Operation

Abhijeet Shrestha
Head New Projects

Sachin Newa
Head Finance & Treasury

Bishnu Pandey
Head Recovery and Collections

Upendra Manandhar
Country Head Retail Credit

Kiran Pandey
Head General Services

Anija Tuladhar
Head Central Operations/ Head TFC

Pabitra Man Shrestha
Head Accounts

Sudip Shrestha
Head Research & Development

Roshan Dhakal
Head Ebanking

Binukumar Shrestha
Head Legal

Bijaya Ram Kashajoo
Head Branding & Corporate Communications

Hira Kaji Basnet
Company Secretary

Manoj Basnet
Head Credit Administration

Shashi Nepal
Officiating Head Compliance

Sunil Maharjan
Acting Head Internal Audit

Province Heads / Cluster Heads

Bhola Bahadur Bista
Province Head- Province 3, Cluster Head- Narayangadh

Santosh Kumar Budhathoki
Province Head- Province 1, Cluster Head- Biratnagar/Damak

Dipak Kumar Shrestha
Province Head- Province 2, Cluster Head- Birgunj

Shailesh Karki
Province Head- Karnali Province, Cluster Head- Surkhet

Rupak Chhetri
Cluster Head- Kathmandu East

Kiran Khadka
Cluster Head- Kathmandu West

Suraj Dahal
Cluster Head- Kathmandu South

Kiran Dhamala
Province Head- Province 5, Cluster Head- Bhairahawa

Samir K.C
Province Head- Gandaki Province, Cluster Head- Pokhara

Deepak Joshi
Province Head- Sudhurpaschim

Vijay K.C
Cluster Head- Nepalgunj

Branch Managers

Anija Tuladhar
Main Branch- Civil Trade Center

Keshab Prasad Neupane
Aarughat Branch

Surat Bahadur Karki
Adarsha Branch

Subash Kandel
Anamnagar Branch

Suraj Dhital
Banepa Branch

Jagadish Bhatta
Bannigadi Branch

Pushkar G.C.
Barhabise Branch

Jun Narayan Shrestha
Besisahar Branch

Rabindra Bahadur Shahi
Bhairabi Branch

Kiran Dhamala
Bhairahawa Branch

Keshav Regmi
Bhulbhule Branch

Nabin Dangi
Bijuwar Branch

Pramod Pokharel
Birat Chowk Branch

Rajesh Dhakal
Biratnagar Branch

Santosh Kumar Sah
Birgunj Branch

Tanka Nath Paudyal
Birtamode Branch

Dhiraj Dhungana
Boudha Branch

Janak Karki
Butwal Branch

Sharmila Tiwari
Chabahil Branch

Binod Thapa
Damak Branch

Chandra Prasad Silwal
Dhadingbesi Branch

Deepak Joshi
Dhangadi Branch

Bibek Jha
Dhankaul Branch

Bijendra Bar Singh Pradhan
Dhulikhel Branch

Sanjay Sigdel
Gaighat Branch

Rajeshwor Regmi
Gauda Branch

Binaya Kumar Neupane
Ghorahi Branch

Suresh Prasad Ghimire
Gongabu Branch

Dhal Bahadur Khadka
Hetauda Branch

Amit Pokhrel
Hilihang Branch

Nitesh Sharma
Itahari Branch

Sameer Kumar Chaudhary
Janaki Branch

Kul Bhushan Mallik
Janakpur Branch

Santosh Timilsina
Jawalakhel Branch

Madhav Humagain
Kalimati Branch

Jyoti Prakash Aryal
Kamaladi Branch

Bishal Dhwaj Shrestha
Kapan Branch

Buddhi Nath Adhikari
Kawasoti Branch

Sunil Khanal
Khurkhure Branch

Raj Kiran Deshar
Kirtipur Branch

Chhabi Sharma Kandel
Kuleshwore Branch

Nirajan Thapa
Kumaripati Branch

Hari Krishna Adhikari
Lekhnath Branch

Milan Bhattarai
Maijogmai Branch

Ganesh Devkota
Maling Branch

Raju Kharel
Mandavi Branch

Premsagar Agrahari
Manigram Branch

Sajan Kumar Moktan
Melamchi Branch

Krishna Kumar K.C
Mid Baneshwor Branch

Opendra Bista
Musikot Branch

Upendra Dahal
Narayanghat Branch

Vijay K.C.
Nepalgunj Branch

Anusha Shrestha Palikhey
New Baneshwor Branch

Sharmila BIsta
New Road Branch

Bikash Jung Rana
Okhaldhunga Branch

Ajit Kumar Mallik
Pakahamainpur Branch

Nawaraj Sapkota
Parbatipur Branch

Dhruba Prasad Banskota
Phidim Branch

Samir K.C
Pokhara Branch

Yogesh Dangol
Putalisadak Branch

Laxman Gurung
Rainas Branch

Vijaya Raj Pandeya
Salyan Branch

Ashok Shah
Shivalaya Branch

Manoj Shrestha
Sindhuli Branch

Susil Prasain
Sunabarshi Branch

Lalita Prajapati Dheke
Sundhara, Patan Branch

Jeenu Palikhel
Suryabinayak Branch

Prakash Kumar Guragain
Swoyambhu Branch

Bijay Gurung
Tandi Branch

Malina Shrestha
Tripureshwor Branch

Pranil Pachhai
Tulsipur Branch

Abin Shrestha
Yangwarak Branch

ANNUAL FINANCIAL STATEMENTS

2074/2075 (2017/2018)

BRS Neupane & Co.
Chartered Accountants
Kumari Marg, House No. 43
P.O. Box 8137, Naxal,
Kathmandu, Nepal

Tel : 977-1- 4411314
Fax : 977-1- 4420572
E-mail : chartered@brs.com.np
Web : www.brs.com.np

BRS Neupane & Co.

Independent Auditors' Report
to
The Shareholders of Civil Bank Limited

We have audited the accompanying financial statements of **Civil Bank Limited,** which comprise the consolidated statement of financial position as at 32nd Ashad 2075 (corresponding July 16, 2018), consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of change in equity, consolidated statement of cash flows, statement of distributable profit or loss, and significant accounting policies, notes to the consolidated Financial Statements and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Civil Bank Limited as at 32nd Ashad 2075 (Corresponding July 16, 2018) and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards and Company Act 2063.

Report on other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit, In our opinion, consolidated statement of financial position, consolidated statement of profit or loss account, consolidated statement of other comprehensive income, consolidated statement of change in equity, consolidated statement of cash flows, statement of distributable profit or loss, and significant accounting policies, notes to consolidated Financial Statements and other explanatory notes, prepared in the format prescribed by Nepal Rastra Bank, are in agreement with the books of accounts of the bank; and proper books of account as required by law have been kept by the bank.

In our opinion the returns from the branches are adequate for the purpose of the audit though the statements are independently not audited.

In our opinion, so far as appeared from our examination of the books, the bank has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.

To the best of our information and according to explanations given to us and from our examination of the books of accounts of the bank necessary for our audit purpose, we have not come across cases where board of directors or any employees of the bank have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the bank and violated any directives of Nepal Rastra Bank or acted in a manner to put at risk the interest and security of the bank, its depositiors and investors.

Anup K. Shrestha

Date : February 15, 2019
Place : Kathmandu, Nepal

CA. Anup K. Shrestha
Managing Partner

Consolidated Statement of Financial Position

As on 32 Ashadh 2075 (16th July 2018)

Particulars	Note	Group			Bank		
		Current Year	Previous Year	Shrawan 1, 2073	Current Year	Previous Year	Shrawan 1, 2073
Assets							
Cash and Cash Equivalents	4.1	2,528,530,639	1,926,364,017	7,308,372,139	2,334,378,031	1,828,067,154	1,881,000,488
Due from Nepal Rastra Bank	4.2	2,340,121,459	3,005,769,600	2,709,298,559	2,337,621,459	3,004,169,600	2,709,298,559
Placement with Bank and Financial Institutions	4.3	663,698,064	787,644,062	603,793,277	663,698,064	727,644,062	603,793,277
Derivative Financial Instruments	4.4	482,850	424,350	548,073	482,850	424,350	548,073
Other Trading Assets	4.5	-	-	-	-	-	-
Loans and Advances to BFIs	4.6	1,568,149,954	904,080,790	937,646,104	1,868,149,954	1,103,236,460	937,646,104
Loans and Advances to Customers	4.7	38,831,540,262	29,369,770,280	24,970,085,199	38,254,793,882	29,038,316,847	24,969,810,599
Investment Securities	4.8	5,612,628,114	5,518,345,127	3,865,279,089	5,526,474,338	5,444,922,762	3,814,206,209
Current Tax Assets	4.9	26,997,794	220,745,703	144,594,570	21,509,690	212,110,462	148,463,486
Investment in Subsidiaries	4.10	-	-	-	120,615,000	120,615,000	69,615,000
Investment in Associates	4.11	-	-	-	-	-	-
Investment Property	4.12	177,160,409	199,735,870	1,715,774	177,160,409	199,735,870	1,715,774
Property and Equipment	4.13	273,284,312	264,616,966	248,747,567	255,891,822	244,631,570	240,490,902
Goodwill and Intangible Assets	4.14	53,656,679	47,491,634	34,820,015	40,584,193	34,532,798	22,309,285
Deferred Tax Assets	4.15	-	-	-	-	-	-
Other Assets	4.16	348,928,506	352,063,835	158,206,517	323,869,525	341,009,775	127,205,373
Total Assets		**52,425,179,042**	**42,597,052,234**	**40,983,106,883**	**51,925,229,217**	**42,299,416,710**	**35,526,103,129**

Particulars	Note	Group			Bank		
		Current Year	Previous Year	Shrawan 1, 2073	Current Year	Previous Year	Shrawan 1, 2073
Liabilities							
Due to Bank and Financial Institutions	4.17	6,593,775,876	3,449,119,451	2,464,367,915	6,549,775,876	3,449,044,599	2,464,367,915
Due to Nepal Rastra Bank	4.18	548,723,987	3,500,000	-	548,723,987	3,500,000	-
Derivative Financial Instruments	4.19	-	-	-	-	-	-
Deposits from Customers	4.20	34,313,577,068	31,257,305,438	29,099,655,256	34,222,597,013	31,186,198,176	29,099,655,256
Borrowings	4.21	645,954	853,575	1,047,392	-	-	-
Current Tax Liabilities	4.9	-	-	-	-	-	-
Provisions	4.22	1,239,150	798,725	429,275	1,059,250	618,825	362,375
Deferred Tax Liabilities	4.15	144,692,939	164,133,434	65,117,809	149,023,470	164,531,678	65,373,473
Other Liabilities	4.23	813,254,421	454,714,090	5,640,230,886	604,134,374	368,312,618	259,250,361
Debt Securities Issued	4.24	-	-	-	-	-	-
Subordinated Liabilities	4.25	-	-	-	-	-	-
Total Liabilities		42,415,909,395	35,330,424,713	37,270,848,533	42,075,313,970	35,172,205,896	31,889,009,380
Equity							
Share Capital	4.26	7,259,310,362	5,185,221,687	3,082,779,256	7,259,310,362	5,185,221,687	3,082,779,256
Share Premium		36,390,992	-	1,077,222	36,390,992	-	1,077,222
Retained Earnings		1,097,681,112	1,232,082,038	292,159,558	1,069,617,233	1,214,186,383	282,042,478
Reserves	4.27	1,484,596,660	727,802,744	271,194,793	1,484,596,660	727,802,744	271,194,793
Total Equity Attributable to Equity Holders		**9,877,979,126**	**7,145,106,469**	**3,647,210,829**	**9,849,915,247**	**7,127,210,814**	**3,637,093,749**
Non Controlling Interest		131,290,521	121,521,052	65,047,521	-	-	-
Total Equity		**10,009,269,647**	**7,266,627,521**	**3,712,258,350**	**9,849,915,247**	**7,127,210,814**	**3,637,093,749**
Total Liabilities and Equity		**52,425,179,042**	**42,597,052,234**	**40,983,106,883**	**51,925,229,217**	**42,299,416,710**	**35,526,103,129**
Contingent Liabilities and Commitments	4.28	14,826,110,615	9,196,122,662	8,223,704,552	14,826,110,615	9,196,122,662	8,223,704,552
Net Assets Value per share		136.07	137.80	118.31	135.69	137.45	117.98

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Chief Business Officer

Govinda Gurung
Chief Executive Officer

Bhimanada Dhungana
Director

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date
CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date:2075/11/03
Place: Kathmandu

Consolidated Statement of Profit or Loss

For the year ended 32 Ashadh 2075 (16th July 2018)

		Group		Bank	
Particulars	Note	Current Year	Previous Year	Current Year	Previous Year
Interest Income	4.29	4,533,684,059	3,474,464,954	4,441,858,214	3,410,224,991
Interest Expense	4.30	3,061,929,474	2,084,301,113	3,033,460,895	2,084,865,516
Net Interest Income		**1,471,754,585**	**1,390,163,841**	**1,408,397,319**	**1,325,359,475**
Fee and Commission Income	4.31	262,272,951	185,366,956	242,338,025	179,957,369
Fee and Commission Expense	4.32	21,740,635	12,652,073	23,098,536	12,533,976
Net Fee and Commission Income		**240,532,316**	**172,714,883**	**219,239,489**	**167,423,393**
Net Interest, Fee and Commisson Income		**1,712,286,901**	**1,562,878,724**	**1,627,636,808**	**1,492,782,868**
Net Trading Income	4.33	156,578,999	86,685,613	156,578,999	86,685,613
Other Operating Income	4.34	67,136,784	64,956,708	43,153,607	47,781,901
Total Operating Income		**1,936,002,684**	**1,714,521,045**	**1,827,369,414**	**1,627,250,382**
Impairment Charge/ (Reversal) for Loans and Other Lossess	4.35	(111,924,165)	11,036,627	(125,831,461)	5,973,124
Net Operating Income		**2,047,926,849**	**1,703,484,418**	**1,953,200,875**	**1,621,277,258**
Operating Expense					
Personnel Expenses	4.36	596,994,013	393,703,805	558,413,233	363,191,592
Other Operating Expenses	4.37	374,129,535	276,694,691	351,553,222	255,714,305
Depreciation & Amortisation	4.38	64,663,047	58,577,730	59,610,502	54,295,454
Operating Profit		**1,012,140,254**	**974,508,192**	**983,623,918**	**948,075,907**
Non Operating Income	4.39	42,090,038	925,126,184	42,090,038	925,126,184
Non Operating Expense	4.40	130,464,613	120,944,746	130,464,613	120,944,746
Profit Before Income Tax		**923,765,679**	**1,778,689,630**	**895,249,343**	**1,752,257,345**
Income Tax Expense	4.41				
Current Tax		284,258,836	106,606,616	273,309,089	96,991,585
Deferred Tax		(11,891,495)	116,188,407	(7,959,209)	116,304,270
Profit for the Period		**651,398,338**	**1,555,894,607**	**629,899,463**	**1,538,961,490**
Profit Attributable to:					
Equity-holders of the Bank		640,863,889	1,546,705,908	-	-
Non-Controlling Interest		10,534,449	9,188,699	-	-
Profit for the Period		**651,398,338**	**1,555,894,607**	-	-
Earnings per Share					
Basic Earnings per Share		9.66	30.01	9.69	29.68
Diluted Earning per Share		9.66	30.01	9.69	29.68
Restated Earnings per Share		-	24.23	-	24.77

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Chief Business Officer

Govinda Gurung
Chief Executive Officer

Bhimanada Dhungana
Director

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date
CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date:2075/11/03
Place: Kathmandu

Consolidated Statement of Other Comprehensive Income
For the year ended 32 Ashadh 2075 (16th July 2018)

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Profit for the year		**651,398,338**	**1,555,894,607**	**629,899,463**	**1,538,961,490**
Other Comprehensive Income, Net of Income Tax					
a) Items that will not be reclassified to profit or loss					
Gains/(losses) from investment in equity instruments measured at fair value		(19,049,106)	(17,505,588)	(19,049,106)	(17,505,588)
Gains/(losses) on revaluation		-	-	-	-
Actuarial gains/(losses) on defined benefit plans		(6,114,224)	(813,163)	(6,114,224)	(813,163)
Income tax relating to above items		7,548,999	5,495,625	7,548,999	5,495,625
Net other comprehensive income that will not be reclassified to profit or loss		**(17,614,331)**	**(12,823,126)**	**(17,614,331)**	**(12,823,126)**
b) Items that are or may be reclassified to profit or loss					
Gains/(losses) on cash flow hedge		-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)		-	-	-	-
Income tax relating to above items		-	-	-	-
Reclassify to profit or loss		-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method		-	-	-	-
Other Comprehensive Income for the year, Net of Income Tax		**(17,614,331)**	**(12,823,126)**	**(17,614,331)**	**(12,823,126)**
Total Comprehensive Income for the Period		**633,784,007**	**1,543,071,481**	**612,285,132**	**1,526,138,364**
Total Comprehensive Income attributable to:					
Equity-Holders of the Bank		623,249,558	1,533,882,782	-	-
Non-Controlling Interest		10,534,449	9,188,699	-	-
Total Comprehensive Income for the Period		**633,784,007**	**1,543,071,481**		

Sachin Newa
Head - Finance

Sujit Kumar Shakya
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Bhimanada Dhungana
Director

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date
CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date:2075/11/03
Place: Kathmandu

Consolidated Statement of Changes in Equity (Group)

For the year ended 32 Ashadh 2075 (16th July 2018)

	Attributable to Equity-Holders of the Bank											
Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2073	3,082,779,256	1,077,222	216,297,280	9,969,253	-	-	-	1,659,650	31,584,877	3,343,367,538		3,343,367,538
Adjustment/Restatement	-	-	-	-	-	24,349,508	-	290,997,891	(11,006,126)	304,341,273	-	304,341,273
Adjustment/Restated Balance as at Shrawan 01, 2073	3,082,779,256	1,077,222	216,297,280	9,969,253	-	24,349,508	-	292,657,541	20,578,751	3,647,708,811	-	3,647,708,811
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,546,740,064	-	1,546,740,064	-	1,546,740,064
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(12,253,912)	-	-	-	(12,253,912)	-	(12,253,912)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(569,214)	(569,214)	-	(569,214)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Merger Former International Leasing & Finance Co. Ltd	-	3,589,669	246,018,515	-	-	-	-	(253,141,305)	3,533,121	-	-	-
Transfer from Acquisition of Former Unique Finance Ltd	-	-	40,446,017	-	-	-	-	(40,446,017)	-	-	-	-
Transfer from Acquisition of Former Hama Merchant & Finance Ltd	-	-	31,253,731	-	-	-	-	(41,064,829)	9,811,098	-	-	-
Transfer to Reserves during the year	-	-	69,655,914	3,105,364	-	-	-	(160,759,491)	87,998,213	-	-	-
Transfer from Reserves during the year	-	(4,666,891)	-	-	-	-	-	27,057,786	(22,390,895)	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Share Capital from Merger with Former International Leasing & Finance Co. Ltd	1,501,027,166	-	-	-	-	-	-	-	-	1,501,027,166	-	1,501,027,166
Transfer of Share Capital from Acquisition of from Former Unique Finance Ltd	249,108,840	-	-	-	-	-	-	-	-	249,108,840	-	249,108,840
Transfer of Share Capital from Acquisition of Former Hama Merchant & Finance Ltd	220,292,800	-	-	-	-	-	-	-	-	220,292,800	-	220,292,800
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	132,013,625	-	-	-	-	-	-	(132,013,625)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(6,948,086)	-	(6,948,086)	-	(6,948,086)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	2,102,442,431	(1,077,222)	387,374,177	3,105,364	-	(12,253,912)	-	939,424,495	78,382,323	3,497,397,658	121,521,052	3,618,918,710
Balance at Asar 31, 2074	5,185,221,687	-	603,671,457	13,074,617	-	12,095,597	-	1,232,082,039	98,961,073	7,145,106,470	121,521,052	7,266,627,522
Balance at Shrawan 01, 2074	5,185,221,687	-	603,671,457	13,074,617	-	12,095,597	-	1,232,082,039	98,961,073	7,145,106,470	-	7,145,106,470
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	640,067,687	-	640,067,687	-	640,067,687
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(13,334,373)	-	-	-	(13,334,373)	-	(13,334,373)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(4,279,957)	(4,279,957)	-	(4,279,957)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves during the year	-	-	125,979,894	3,088,358	637,942,783	-	-	(847,810,635)	80,799,601	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	73,332,368	(73,402,389)	(70,021)	-	(70,021)
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	2,074,088,675	36,390,992	-	-	-	-	-	-	-	2,110,479,667	-	2,110,479,667
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	9,647	-	9,647	-	9,647
Total Contributions by and Distributions	2,074,088,675	36,390,992	125,979,894	3,088,358	637,942,783	(13,334,373)	-	(134,400,933)	3,117,255	2,732,872,651	131,290,521	2,864,163,172
Balance at Asar 32, 2075	7,259,310,362	36,390,992	729,651,351	16,162,975	637,942,783	(1,238,777)	-	1,097,681,113	102,078,328	9,877,979,127	131,290,521	10,009,269,648

Consolidated Statement of Changes in Equity (Bank)

For the year ended 32 Ashadh 2075 (16th July 2018)

Particulars	Attributable to Equity-Holders of the Bank										Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total		
Balance at Shrawan 01, 2073	3,082,779,256	1,077,222	216,297,280	9,969,253	-	-	-	1,659,650	31,584,877	3,343,367,540	-	3,343,367,540
Adjustment/Restatement						24,349,508		280,880,810	(11,006,126)	294,224,192		294,224,192
Adjustment/Restated Balance as at Shrawan 01, 2073	3,082,779,256	1,077,222	216,297,280	9,969,253	-	24,349,508	-	282,540,460	20,578,751	3,637,591,733	-	3,637,591,733
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,538,961,490	-	1,538,961,490	-	1,538,961,490
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(12,253,912)	-	-	-	(12,253,912)	-	(12,253,912)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(569,214)	(569,214)	-	(569,214)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Merger Former International Leasing & Finance Co. Ltd		3,589,669	246,018,515	-	-	-	-	(253,141,305)	3,533,121	-	-	-
Transfer from Acquisition of Former Unique Finance Ltd		-	40,446,017	-	-	-	-	(40,446,017)	-	-	-	-
Transfer from Acquisition of Former Hama Merchant & Finance Ltd		-	31,253,731	-	-	-	-	(41,064,829)	9,811,098	-	-	-
Transfer to Reserves during the year	-	-	69,655,914	3,105,364	-	-	-	(160,759,491)	87,998,213	-	-	-
Transfer from Reserves during the year	-	(4,666,891)	-	-	-	-	-	27,057,786	(22,390,895)	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-		-
Transfer of Share Capital from Merger with Former International Leasing & Finance Co. Ltd	1,501,027,166	-	-	-	-	-	-	-	-	1,501,027,166		1,501,027,166
Transfer of Share Capital from Acquisition of from Former Unique Finance Ltd	249,108,840	-	-	-	-	-	-	-	-	249,108,840		249,108,840
Transfer of Share Capital from Acquisition of Former Hama Merchant & Finance Ltd	220,292,800	-	-	-	-	-	-	-	-	220,292,800		220,292,800
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	132,013,625	-	-	-	-	-	-	(132,013,625)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(6,948,086)	-	(6,948,086)	-	(6,948,086)
Other:	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	2,102,442,431	(1,077,222)	387,374,177	3,105,364	-	(12,253,912)	-	931,645,924	78,382,323	3,489,619,083	-	3,489,619,083
Balance at Asar 31, 2074	5,185,221,687	-	603,671,457	13,074,617	-	12,095,597	-	1,214,186,383	98,961,073	7,127,210,816	-	7,127,210,816
Balance at Shrawan 01, 2074	5,185,221,687	-	603,671,457	13,074,617	-	12,095,597	-	1,214,186,383	98,961,073	7,127,210,816	-	7,127,210,816
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	629,899,463	-	629,899,463	-	629,899,463
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(13,334,373)	-	-	-	(13,334,373)	-	(13,334,373)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(4,279,957)	(4,279,957)	-	(4,279,957)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves during the year	-	-	125,979,894	3,088,358	637,942,783	-	-	(847,810,635)	80,799,601	-	-	-
Transfer from Reserves during the year	-		-	-	-	-	-	73,332,368	(73,402,389)	(70,021)	-	(70,021)
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	2,074,088,675	36,390,992	-	-	-	-	-	-	-	2,110,479,667	-	2,110,479,667
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	9,647	-	9,647	-	9,647
Total Contributions by and Distributions	2,074,088,675	36,390,992	125,979,894	3,088,358	637,942,783	(13,334,373)	-	(144,569,150)	3,117,254	2,722,704,431	-	2,722,704,431
Balance at Asar 32, 2075	7,259,310,362	36,390,992	729,651,351	16,162,975	637,942,783	(1,238,777)	-	1,069,617,233	102,078,328	9,849,915,247	-	9,849,915,247

Consolidated Statement of Cash Flows

For the year ended 32 Ashadh 2075 (16th July 2018)

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	4,251,523,055	3,094,400,981	4,160,572,087	3,034,703,694
Fee and Other Income Received	262,272,951	185,366,956	242,338,025	179,957,369
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	241,112,149	1,049,551,295	218,410,290	1,031,689,812
Interest Paid	(3,061,929,474)	(2,084,301,113)	(3,033,460,895)	(2,084,865,516)
Commissions and Fees Paid	(21,740,635)	(12,652,073)	(23,098,536)	(12,533,976)
Cash Payment to Employees	(596,994,013)	(393,703,805)	(558,413,233)	(363,191,592)
Other Expenses Paid	(503,781,795)	(397,492,746)	(481,205,482)	(376,512,360)
Operating Cash Flows before Changes in Operating Assets and Liabilities	**570,462,238**	**1,441,169,495**	**525,142,256**	**1,409,247,431**
(Increase) Decrease in Operating Assets				
Due from Nepal Rastra Bank	665,648,141	(296,471,041)	666,548,141	(294,871,041)
Placement with Banks and Financial Institutions	123,945,998	(183,850,785)	63,945,998	(123,850,785)
Other Trading Assets	10,002,162	5,800,492	9,660,708	6,680,880
Loans and Advances to BFIs	-	-	-	-
Loans and Advances to Customers	(10,013,914,981)	(4,377,156,394)	(9,855,559,068)	(4,240,069,728)
Other Assets	211,073,659	(60,595,626)	221,931,443	(68,038,553)
Increase (Decrease) in Operating Liabilities				
Due to Banks and Financials Institutions	3,144,656,425	984,751,536	3,100,731,277	984,676,684
Due to Nepal Rastra Bank	545,223,987	3,500,000	545,223,987	3,500,000
Deposit from Customers	3,056,271,630	2,157,650,182	3,036,398,837	2,086,542,920
Borrowings	(207,621)	(193,817)	-	-
Other Liabilities	339,540,261	(5,086,131,721)	220,753,973	208,476,912
Net Cash Flow from Operating Activities before Tax Paid	**(1,347,298,101)**	**(5,411,527,679)**	**(1,465,222,448)**	**(27,705,280)**
Income Tax Paid	(272,367,341)	(222,795,023)	(265,349,880)	(213,295,855)
Net Cash Flow from Operating Activities	**(1,619,665,442)**	**(5,634,322,702)**	**(1,730,572,328)**	**(241,001,135)**
CASH FLOWS FROM INVESTING ACTIVITIES				-
Purchase of Investment Securities	(94,282,987)	(1,653,066,038)	(81,551,576)	(1,681,716,553)
Receipts from Sale of Investment Securities	-	-	-	-
Purchase of Property and Equipment	(65,385,922)	(67,198,041)	(62,926,283)	(51,187,034)
Receipts from Sale of Property and Equipment	1,049,213	1,424,568	1,049,213	1,424,568
Purchase of Intangible Assets	(15,971,082)	(21,459,961)	(15,857,432)	(21,011,855)
Purchase of Investment Properties	-	(198,020,096)	-	(198,020,096)
Receipts from Sale of Investment Properties	22,575,461	-	22,575,461	-
Interest Received	267,912,083	170,774,871	267,037,206	166,232,195
Dividend Received	2,338,082	8,963,263	1,398,218	8,769,551
Net Cash Used in Investing Activities	**118,234,848**	**(1,758,581,435)**	**131,724,807**	**(1,775,509,225)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from Issue of Debt Securities	-	-	-	-
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	2,110,479,667	2,101,365,209	2,110,479,667	2,101,365,209
Dividends Paid	-	(6,948,086)	-	(6,948,086)
Interest Paid	-	-	-	-
Other Receipts/Payments	(19,235,879)	(95,942,559)	(17,674,697)	(143,261,548)
Net Cash from Financing Activities	**2,091,243,788**	**1,998,474,564**	**2,092,804,970**	**1,951,155,575**
Net Increase (Decrease) in Cash and Cash Equivalents	**589,813,194**	**(5,394,429,573)**	**493,957,449**	**(65,354,785)**
Cash and Cash Equivalents at Shrawan 01, 2074	1,926,364,017	7,308,372,139	1,828,067,154	1,881,000,488
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	12,353,428	12,421,451	12,353,428	12,421,451
Cash and Cash Equivalents at Asar 31, 2075	**2,528,530,639**	**1,926,364,017**	**2,334,378,031**	**1,828,067,154**

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Chief Business Officer

Govinda Gurung
Chief Executive Officer

Bhimanada Dhungana
Director

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

Date:2075/11/03
Place: Kathmandu

As per our attached report of even date
CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

1. CIVIL BANK LIMITED

1.1 General Information

Civil Bank Limited ("The Bank") is a public limited company established in Nepal with its registered office at CTC, Sundhara, Kathmandu. The Bank is licensed by Nepal Rastra Bank (NRB) to carry out commercial banking activities in Nepal as a Class "A" licensed financial institution under Bank and Financial Institutions Act, 2073. The Bank has commenced its operation on November 26, 2010 (Mangsir 10, 2067).The Bank is listed on Nepal Stock Exchange and its stock symbol is "CBL"

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on February 15, 2019 (Falgun 3, 2075).

1.2 Financial Statements

The Financial Statements of the Bank for the year ended 16 July 2018 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Statement of Distributable Profit or Loss, Notes to the Financial Statements, Significant Accounting Policies and Statement of Financial Position and reconciliation as at the transition date (i.e. 16th July, 2016).

The Consolidated Financial Statement of the bank for the year ended 32 Ashadh 2075, comprises of its subsidiaries namely Civil Capital Market Limited and Civil Microfinance Bittiya Sanstha Limited.

1.3 Principal Activities and Operations

Bank

The Bank's business comprises, accepting deposits, granting credit facilities, retail banking, corporate banking, consumer banking, dealing in Government Securities, credit card operations, agency services, trade finance services, investment and treasury operations, card services, e-banking products, remittances, foreign currency operations and other financial services to its customers through its branches and extension counters and ATMs networks.

Subsidiary

The Bank owns 51% stake on its subsidiary company, Civil Capital Market Limited, with an investment of NPR 69,615,000. The Bank also owns 51% stake in another subsidiary company, Civil Microfinance Bittiya Sanstha Limited (former ILFCO Microfinance Bittiya Sanstha Ltd.), with an investment of NPR 51,000,000.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Rastra Bank Directives, Nepal Financial Reporting Standard, Nepal Accounting Standards (NAS) and it's carve-outs issued by the Institute of Chartered Accountants of Nepal (ICAN), provisions of Banks and Financial Institutions Act (BAFIA), 2073 and in conformity with the Company Act, 2063. The carve-outs issued by the Institute of Chartered Accountants of Nepal on September 20, 2018 on NFRS requirement, which allowed alternative treatments and the bank adopted following carve outs:

S.N	NFRS/NAS	Existing Provision	Carve-out: Alternative Treatment-Adopted
1	NAS 17: Para 33	Lease payment under an operating lease shall be recognized as an expenses on straight over lease term unless another systematic basis is more representative of time pattern of the user benefit	Lease payment under an operating lease shall be recognized as an expenses on straight line basis over the lease term unless either: -Another systematic basis is more representative of the time pattern of the user's benefit even if the payment to the lessors are not on that basis; or -The payment to the lessor is structured to increase in line with expected general inflation to compensate for the lessor expected inflationary cost increases. if payment to the lessor vary because of factors other than general inflation, this condition is not met.
2	NFRS 10: Para 19	A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.	A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so
3	NAS 39: Para 58	An entity shall assess at the end of each reporting period whether there is any objectives evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss.	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss unless the entity is bank or financial institutions registered as per Bank and Financial Institution Act, 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63; and shall apply paragraph 63 to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.
4	NAS 39: Para 9 Definitions relating to recognition and measurement	The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate	The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instrument can be estimated reliable.

		(see NAS 18 Revenue), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life or a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments)	However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments). The entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).
5	NAS 39: Para AG93 Interest income after impairment recognition	Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairments.	Once a financial asset or group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

2.2 Reporting period and approval of Financial Statements

2.2.1 Reporting Period

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening NFRS statement of financial position as 16 July 2016, which is the opening date of the previous financial year for the purposes of the transition to NFRSs, unless otherwise stated. The date of transition to NFRSs is 16th July 2016 and beginning of the day, 17th July 2016, balances are considered.

Hence, the financial statement for the year ended 16th July 2018 is the first set of statements the bank has prepared in accordance with NFRSs.

The Bank follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Date in B.S.	Date in A.D.
Opening NFRS Date		
Statement of financial position date	1st Shrawan 2073	16th July 2016
Comparative NFRS Date		
Statement of financial position Date	31 Ashadh 2074	15th July 2017
Comparative reporting period	1 Shrawan 2073 - 31 Ashadh 2074	16 July 2016 - 15 July 2017
First Set of NFRS Date		
First NFRS* Statement of financial Position Date	32 Ashadh 2075	16th July 2018
First NFRS* reporting period	1 Shrawan 2074 - 32 Ashadh 2075	16 July 2017 - 16 July 2018

*NFRS = Nepal Financial Reporting Standards

2.2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements of Civil Bank Limited as per the provisions of the Companies Act, 2006.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Nepalese Rupees (NPR), which is the Banks both functional currency and presentation currency. Financial information presented in Nepalese Rupees unless indicated otherwise.

2.4 Use of estimates, assumptions and judgments

The preparation of the financial statements is in line with NFRS and its carve out issued by Institute of Chartered Accountants of Nepal which includes management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows:

2.4.1 Going Concern

The Board of Directors has made an assessment of the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon Bank's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values. The valuation of financial instruments is described in more details in Note 5.1.6 under "Fair Value of financial assets and liabilities".

2.4.3 Impairment of Financial Assets – Loans and Receivables

The Bank reviews its individually significant loans and advances at each reporting period to assess whether an impairment loss shall be recorded in the statement of profit or loss. In particular, judgment of the management is required in the estimation of the amount and timing of future cash flows when determining the impairment.

These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

Loans and advances that have not been assessed individually and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes in to account data from the loan portfolio such as levels of arrears, credit quality, portfolio size etc. and judgments based on current economic conditions.

The bank has opted to apply carve-out on impairment of loans and advance. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no.2, higher of the amount derived from these measures is taken as impairment loss for loans and advance.

2.4.4 Impairment of Fair value through OCI Investments

Bank reviews its securities classified as Fair value through OCI, at each reporting date to assess whether they are impaired. Objective evidence that a Fair value through OCI security is impaired includes among other things significant financial difficulty of the issuer, a breach of contract such as a default or delinquency in interest or principal payments etc. Bank also records impairment charges on Fair value through OCI equity investments where there is significant or prolonged decline in fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. Bank generally treats 'significant' as 20% and 'prolonged' as greater than six months. In addition, Bank evaluates, among other factors, historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

2.4.5 Taxation

The Banks subject to income tax and judgment is required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of the applicable tax laws, at the time of preparation of these Financial Statements.

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

2.4.6 Defined Benefit Plans

The cost of the defined benefit obligations and the present value of their obligations are determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, future salary increments, mortality rates and possible future pension increments if any. Due to the long-term nature of these plans, such estimates are subject to uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Nepal government Citizen Saving bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Nepali Assured Mortality Table, 2009. Future salary escalation rates are based on expected future salary increment rates of the Bank based on past data.

2.4.7 Fair Value of Property and Equipment

The freehold land and buildings of the bank are not reflected at fair value and no revaluation has been carried at the reporting date. Under NFRS 1, a first-time adopter may elect to use a previous GAAP revaluation of an item of property and equipment at, or before, the date of transition to NFRS as cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to:

a. Fair value; or
b. Cost or depreciated cost in accordance with NFRSs, adjusted to reflect, for example, changes in a general or specific price index

2.4.8 Useful Life-time of the Property and Equipment

The Bank is following the cost model for recognition of Property and Equipment. The Bank reviews the residual values, useful lives and methods of depreciation of property and equipment at each reporting date.

Land is not depreciated. Depreciation of other assets is calculated using the diminishing value method to amortize their cost over their estimated useful lives, as follows:

Rate of Depreciation per annum (%)		
S.N.	Particular	Rates
1.	Computer & Accessories	20%
2.	Computer & Accessories-Staff	25%
3.	Vehicles	15%
4.	Furniture and Fixture (Metal)	10%
5.	Furniture and Fixture (Wood)	15%
6.	Machinery	15%
7.	Equipment & others	15%
8.	Leasehold Assets	SLM over the remaining Lease Period

Depreciation of newly acquired fixed asset is charged based upon the date of invoice and Assets valuing 5,000 or less are directly charged to the profit and loss account as expenses for capital items.

2.4.9 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

2.4.10 Classification of Investment Properties

Management requires using its judgment to determine whether a property qualifies as an investment property. The Bank has developed criteria so it can exercise its judgment consistently. A property that is held to earn rentals or for capital appreciation or both and which generates cash flows largely independently of the other assets held by the Bank are accounted for as investment properties. On the other hand, a property that is used for operations or in the process of providing services or for administrative purposes and which do not directly generate cash flows as a standalone assets are accounted for as property and equipment. The Bank assesses on an annual basis the accounting classification of its properties taking into consideration the current use of such properties. Currently, land and land &building hold by bank as Non-Banking Assets is categorized as investment property.

2.5 Changes in accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the bank in preparing and presenting financial statements. The bank is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows. The bank uses the same accounting policies in its opening NFRS statement of financial position and throughout all periods presented in its first NFRS financial statements. Those accounting policies comply with each NFRS effective at the end of its first NFRS reporting period.

2.6 New Standards in issue but not yet effective

Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Bank will adopt these standards when they become effective.

NFRS 9- Financial Instruments:

NFRS 9 states a logical principle base to classify financial assets and financial liabilities which is driven by cash flow characteristics and the business model in which an assets or liability is held. Further this standard recommends the assessment of impairment based on more timely recognition of incurred losses as referred in NAS 39 and entities are required to account for incurred credit losses from the initial recognition of financial instruments.

IFRS 9 became effective on 1 January 2018 and will have an effect on classification and measurement of the Bank's financial assets. NFRS 9, as issued reflects the first phase of work on replacement of NAS 39 and applies to classification and measurement of financial assets and liabilities.

IFRS-15: Revenue from contract with customers:

The IASB issued a new standard for revenue recognition which overhauls the existing revenue recognition standards. The standard requires the following five step model framework to be followed for revenue recognition:

a) Identification of the contracts with the customer
b) Identification of the performance obligations in the contract
c) Determination of the transaction price
d) Allocation of the transaction price to the performance obligations in the contract (as identified in step b)
e) Recognition of revenue when the entity satisfies a performance obligation.

The new standard would be effective for annual periods starting from 1 January 2018 and early application is allowed. The management is assessing the potential impact on its financial statements resulting from application of IFRS 15.

IFRS -16: Leases:

IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. IFRS 16 is the new accounting standard for leases and will replace IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The new standard removes the distinction between operating or finance leases for lessee accounting, resulting in all leases being treated as finance leases. All leases will be recognized on the statement of financial position with the optional exceptions for short-term leases with a lease term of less than 12 months and leases of low-value assets (for example mobile phones or laptops). A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The main reason for this change is that this approach will result in a more comparable representation of a lessee's assets and liabilities in relation to other companies and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. The standard permits a lessee to choose either a full retrospective or a modified retrospective transition approach.

IFRS 16 Leases has not yet been adopted by the Accounting Standard Board of Nepal.

2.7 New Standards and interpretation not adopted

The bank has adopted applicable Nepal Financial Reporting Standards which are effective as on the date of preparation of this financial statement.

2.8 Discounting

When the realization of assets and settlement of obligation is for more than one year, the Bank considers the discounting of such assets and liabilities where the impact is material. Various internal and external factors have been considered for determining the discount rate to be applied to the cash flows of company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

3.1 Basis of Measurement

The Financial Statements of the Bank have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

a) Fair value through OCI investments (quoted) are measured at fair value.
b) Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
c) Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate.

However, the bank has opted to apply carve-out and measure the financial assets and liabilities at carrying amount i.e. amount disbursed to borrower and amount received from the lender.

3.2 Basis of consolidation

3.2.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 3 (Business Combinations). The Bank measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Bank elects on a transaction-by transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Bank incurs in connection with a business combination are expenses as incurred.

The Bank has applied Exemptions for NFRS 3 as follows:

A first-time adopter may elect not to apply NFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NFRSs). However, if a first-time adopter restates any business combination to comply with NFRS 3 it shall restate all later business combinations and shall also apply NFRS 10 from that same date.

3.2.2 Non-Controlling Interest (NCI)

The group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent. The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests.

The group also attributes total comprehensive income to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.2.3 Subsidiaries

Subsidiaries are entities that are controlled by the Bank. The Bank is presumed to control an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

3.2.4 Loss of Control

When the Bank loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Bank recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Bank recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.2.5 Special Purpose Entity (SPE)

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitization of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. Currently, the Bank does not have any special purpose entity.

3.2.6 Transaction elimination on consolidation

In consolidating a subsidiary, the group eliminates full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the subsidiary and the bank (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

3.3 Cash and cash equivalents

Cash and cash equivalents include cash at vault and agency Bank account balances and placement to other BFIs which are maturing within 3 months which are subject to an insignificant risk of changes in value. Fair value of cash and cash equivalent amount is the carrying amount.
Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

3.4 Financial assets and Financial Liabilities

3.4.1 Initial Recognition

A) Date of Recognition

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

B) Recognition and Initial Measurement of Financial Instruments

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

3.4.2 Classification and Subsequent Measurement of Financial Instruments

<u>**Classification and Subsequent Measurement of Financial Assets**</u>

At the inception, a financial asset is classified into one of the following:
a) Financial assets at fair value through profit or loss
i. Financial Assets held for trading
ii. Financial Assets designated at fair value through profit or loss
b) Financial Assets at amortized cost
c) Financial Assets at fair value through OCI

The subsequent measurement of financial assets depends on their classification.

(a) Financial Assets at Fair Value through Profit or Loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

i) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards (NAS) 39 "Financial Instruments: Recognition and Measurement".

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in 'Net trading income'. Dividend income is recorded in 'Net trading income' when the right to receive the payment has been established.

Bank evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When Bank is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Bank may elect to reclassify these financial assets.

Financial assets held for trading include instruments such as government securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term. Currently, bank has not categorized its financial assets in this category.

ii) Financial Assets Designated at Fair Value through Profit or Loss

Bank designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.

- The assets are part of a group of Financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or loss is recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial instruments designated at fair value through profit or losses' in the Statement of Profit or Loss. Interest earned is accrued under 'Interest income', using the effective interest rate method, while dividend income is recorded under 'Other Operating Income' when the right to receive the payment has been established.

The Bank has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

(b) Loans and Receivables from Customers

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as fair value through profit or loss.
- Those that the Bank, upon initial recognition, designates as Fair value through OCI
- Those for which the Bank may not recover substantially all of its initial investment through contractual cash flows, other than because of credit deterioration.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less allowance for impairment. The amortization is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognized in 'Impairment charge / reversal for loans and other losses' in the Statement of Profit or Loss.

However, the bank has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest income at the coupon rate and continually measured the carrying amount of loans and advance at cost/fair value less repayment and allowance for impairment.

(c) Financial Assets at fair value through OCI

Financial assets at fair value through OCI include equity and debt securities. Equity Investments classified as 'Fair value through OCI' are those which are neither classified as 'Held for neither Trading 'nor 'Maturity'. Securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, fair value through OCI financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Fair value reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is transferred to Retained Earning. Interest earned whilst holding 'Financial asset at fair value through OCI' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'Financial asset at fair value through OCI' are recognized in the Statement of Profit or Loss as 'other operating income' when the right to receive the payment has been established.

Financial assets under Fair value through OCI that are monetary securities denominated in a foreign currency translation differences related to changes in the amortized cost of the security are recognized in statement of profit or loss and other changes in the carrying amount are recognized in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Bank recognizes a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value on initial recognition recognized as trading gain/loss in PL.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognized immediately in the statement of profit or loss. Instead, it is recognized over the life of the transaction on an appropriate basis, when the inputs become observable, the transaction matures or is closed out, or when the Bank enters into an offsetting transaction.

Classification and Subsequent Measurement of Financial Liabilities

At the inception, Bank determines the classification of its financial liabilities. Accordingly financial liabilities are classified as:

a) Financial liabilities at fair value through profit or loss
i. Financial liabilities held for trading
ii. Financial liabilities designated at fair value through profit or loss
b) Financial liabilities at amortized cost

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

i) Financial Liabilities Held for Trading

Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category includes derivative financial instrument entered into by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement).

ii) Financial Liabilities Designated at Fair Value through Profit or Loss

Bank designates financial liabilities at fair value through profit or loss at following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- The liabilities are part of a group of Financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
- The liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

(b) Financial Liabilities at Amortized Cost

Financial instruments issued by Bank that are not classified as fair value through profit or loss are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in Bank having an obligation either to deliver cash or another financial asset to another Bank, or to exchange financial assets or financial liabilities with another Bank under conditions that are potentially unfavorable to the Bank or settling the obligation by delivering variable number of Bank's own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognized in the Statement of Profit or Loss when the liabilities are derecognized.

However, the banks has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest expense at the coupon rate and continually measured the carrying amount of loans and advance at cost/ fair value less repayment.

3.4.3 De-recognition of Financial Assets and Liabilities

a) De-recognition of Financial Assets

Bank derecognizes a financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or
- Bank has transferred its rights to receive cash flows from the asset or
- Bank has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either Bank has transferred substantially all the risks and rewards of the asset or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is transferred to retained earnings.

When Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Bank has retained.

When Bank's continuing involvement that takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received by Bank that Bank could be required to repay.

b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is transferred to retained earnings.

c) Repurchase and Reverse Repurchase Agreements

Securities sold under agreement to repurchase at a specified future date are not de-recognized from the Statement of Financial Position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the Statement of Financial Position as a liability with a corresponding obligation to return it, including accrued interest under 'Securities sold under repurchase agreements', reflecting the transaction's economic substance to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the bank has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its Statement of Financial Position as 'Financial assets held for trading pledged as collateral or 'Financial assets at Fair value through OCI pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at future date are not recognized in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under "Reverse repurchase agreements' reflecting the transaction's economic substance to the Bank. The difference between the purchase and resale prices is recorded as 'Interest income' and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

3.4.4 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of liability reflects its non-performance risk. When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument (Level 01 valuation). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis on an arm's length basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation)nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Bank believes a third-party market participant would take them into account in pricing a transaction.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.4.5 Impairment of Financial Assets

The bank has prepared separate Policy for Impairment of Financial Assets under NFRS in which Financial Assets are assesses at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. A financial asset or group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events, that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a) Impairment of Financial Assets carried at Amortized Cost

For financial assets carried at amortized cost, such as amounts due from banks, Amortized cost investments etc., Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. In the event Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics such as collateral type, past due status and other relevant factors and collectively assesses them for impairment. However, assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

i) Individually Assessed Financial Assets

The criteria used to determine whether there is objective evidence of impairment include and not limited to:

- Known Cash Flow difficulties experienced by the borrowers:
- Past due contractual payments of either principal or interest;
- Breach of loan covenants or conditions;
- The probability that the borrower will enter bankruptcy or other financial reorganization; and
- A significant downgrading in credit rating by an external credit rating agency.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognized through the unwinding of the discount.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write off is later recovered, the recovery is credited to the impairment charges for loans and other losses.

When impairment losses are determined for those financial assets where objective evidence of impairment exists, the following common factors are considered:

- Bank's aggregate exposure to the customer;
- The viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flows to service debt obligations;
- The amount and timing of expected receipts and recoveries;
- The extent of other creditors 'commitments ranking ahead of, or pari-pasu with the Bank and the likelihood of other creditors continuing to support the company;
- The realizable value of security and likelihood of successful repossession;

The basis for the individual impairment assessment test considered is around 70% of the total loans and advances classified as "Bad" as per NRB Directive for the fiscal year. The recoverable value of loan is estimated on the basis of realizable value of the collateral.

ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

- To cover losses which have been incurred but have not yet been identified on loans subject to individual assessment; and
- For homogeneous groups of loans those are not considered individually significant.

Incurred but not yet been identified impairments

Individually assessed financial assets for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an estimated collective loss. This reflects impairment losses that the bank has incurred as a result of events occurring before the reporting date, which the Bank is not able to identify on an individual loan basis and that can be reliably estimated.

These losses will only be individually identified in the future. As soon as information becomes available which identifies losses on individual financial assets within the group, those financial assets are removed from the group and assessed on an individual basis for impairment.

The collective impairment allowance is determined after taking into account:

- Historical Loss Experience in portfolios of similar credit risk; and
- Management's experience and judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical experience.

Homogeneous groups of Financials Assets

Statistical methods are used to determine impairment losses on a collective basis for homogenous groups of financial assets. Losses in these groups of financial assets are recorded on an individual basis when individual financial assets are written off, at which point they are removed from the group.

Bank uses the following method to calculate historical loss experience on a collective basis:

After grouping of loans on the basis of homogeneous risks, the Bank uses net flow rate method. Under this methodology; the movement in the outstanding balance of customers into default categories over the periods; are used to estimate the amount of financial assets that will eventually be irrecoverable, as a result of the events occurring before the reporting date which the Bank is not able to identify on an individual loan basis.

Under this methodology, loans are grouped into ranges according to the number of days in arrears and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable.

Current economic conditions and portfolio risk factors are also evaluated when calculating the appropriate level of allowance required covering inherent loss. These additional macro and portfolio risk factors may include:

- Recent loan portfolio growth and product mix
- Unemployment rates
- Gross Domestic Production (GDP)Growth
- Inflation
- Interest rates
- Changes in government laws and regulations
- Property prices
- Overdue days

The Bank has categorized total loan into 5 products namely Term Loan, Personal Loan, Home Loan, Hire Purchase, Short Term Loan. The loan has been classified into various periods on the basis of due days as follows:

Ageing
Current
01-30 Days
31-60 Days
61-90 Days
91-120 Days
121-150 Days
151-180 Days
180 Days and Above

The Loss rate on each period has been calculated by multiplying Probability of Default (PD) with Loss Given Default (LGD). Probability of Default has been calculated on the basis of probability matrix by taking 48 months loan data as the basis. For the purpose of calculation of Loss Given Default (LGD), the loan which has been categorized as loss as per NRB directive, has been taken and the recovery history of the same has been analyzed upon to reach the LGD. The individually impaired loan has been subtracted from the total loan and the same has been multiplied by loss rate to calculate collective impairment. Total impairment is the sum of the collective and individual impairment.

The bank has opted to apply carve-out on impairment of loans and receivables. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no. 2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

iii) Reversal of Impairment

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the excess is written back by reducing the financial asset impairment allowance account accordingly. The write-back is recognized in the Statement of Profit or Loss.

iv) Write-off of Financial Assets Carried At Amortized Cost

Financial assets (and the related impairment allowance accounts) are normally written off either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realization of security.

v) Impairment of Rescheduled Loans and Advances

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate (EIR).

vi) Collateral Valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Nepal Rastra Bank. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuator and audited financial statements.

vii) Legally Repossessed Collateral

Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized at cost when acquired. The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Bank as part settlement of debt, has not been occupied for business use.

These assets are shown as Legally Repossessed Collateral under "Investment Properties."

b) Impairment of Financial Assets at fair value through OCI

For Fair value through OCI financial investments, Bank assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of debt instruments, Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized, the impairment loss is reversed through the statement of profit or loss.

In the case of equity investments classified as fair value through OCI, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss is removed from equity and recognized in the Statement of profit or loss. However, any subsequent increase in the fair value of an impaired Fair value through OCI equity security is recognized in other comprehensive income.

Bank writes-off certain Fair value through OCI financial investments when they are determined to be uncollectible.

3.4.6 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when and only when Bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRSs or for gains and losses arising from a group of similar transaction such as in trading activity.

3.4.7 Amortized Cost Measurement

The Amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3.5 Trading Assets

All financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short term profit taking are trading assets. Trading assets are measured at fair value with changes in fair value being recognized in Profit or Loss.

3.6 Derivatives assets and derivative liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

Forward contracts are the contracts to purchase or sell a specific quantity of a financial instrument, a commodity, or a foreign currency at a specified price determined at the outset, with delivery or settlement at a specified future date. Settlement is at maturity by actual delivery of the item specified in the contract, or by a net cash settlement.

All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non-trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss.

3.7 Properties and Equipment

3.7.1 Recognition

Property and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property and Equipment) in accounting for these assets. Property and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be reliably measured.

3.7.2 Measurement

An item of property and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of an item of property & equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

3.7.3 Cost Model

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

3.7.4 Revaluation Model

The Bank has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount.

On revaluation of an asset, any increase in the carrying amount is recognized in 'Other comprehensive income' and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

3.7.5 Subsequent Cost

The subsequent cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within that part will flow to the Bank and it can be reliably measured. The cost of day to day servicing of property and equipment are charged to the Statement of Profit or Loss as incurred.

3.7.6 Depreciation

Fixed assets are depreciated on Diminishing Value Method, at the rates determined on the basis of useful life of assets. Depreciation rates applicable to assets of the bank are as follows.

S.N.	Particulars	Rates
1.	Computer & Accessories	20%
2.	Computer & Accessories-Staff	25%
3.	Vehicles	15%
4.	Furniture and Fixture (Metal)	10%
5.	Furniture and Fixture (Wood)	15%
6.	Machinery	15%
7.	Equipment & others	15%
8.	Leasehold Assets	* SLM over the remaining Lease Period

* SLM: Straight Line Method

Depreciation on newly acquired fixed assets is charged from the date of invoice. Fixed Assets valuing 5,000 or less are directly charged to the profit and loss account as expenses for capital items.

Amortization of Leasehold Assets

Costs incurred in respect of Leasehold Property are capitalized as leasehold assets and amortized on Straight Line Method (SLM) basis over the remaining Lease period.

3.7.7 Changes in Estimates

The asset's methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

3.7.8 Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

3.7.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Bank incurs in connection with the borrowing of funds.

3.7.10 De-recognition

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or losses arising from de-recognition of an item of property and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.8 Goodwill and Intangible Assets

3.8.1 Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Bank in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

3.8.2 Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Bank, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

3.8.3 Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

3.8.4 Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight–line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the bank. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Bank assumes that there is no residual value for its intangible assets.

The Core Banking Software is amortized on SLM basis over the period of 10 years while other intangible assets are amortized on lower of

i. 60 month or
ii. License Period

Goodwill is measured at cost less accumulated impairment losses if any.

3.8.5 De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de-recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

3.9 Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

Land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard shall be presented under this account head. This shall include land, land and building acquired as non-banking assets by the Bank but not sold.

Hence, Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized as per NRB Directive when acquired and subsequently measured at cost. The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Bank as part settlement of debt, has not been occupied for business use.

3.10 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

3.10.1 Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

3.10.2 Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in Subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

3.11 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of funding. Deposits include non-interest bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest-bearing deposits is considered as carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Provisions are not recognized for future operating losses.

Before a provision is established, the Bank recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

3.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

3.13.1 Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets classified as Fair value through OCI and financial assets designated at fair value through profit or loss, EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

The bank has opted to apply carve-out and recognize interest income on accrual basis applying the coupon rate, which is variable rate of interest.

3.13.2 Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over that period. These fees include Service fees and commission income. Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognized based on the applicable contracts, usually on a time apportionment basis.

3.13.3 Dividend Income

Dividend income is on equity instruments are recognized in the statement of profit and loss within other income when the Bank's right to receive payment is established.

3.13.4 Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as wells as unrealized changes in fair value of trading assets and liabilities.

3.13.5 Net Income from other financial instrument at fair value through Profit or Loss

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instruments are designated at fair value through profit or loss.

3.14 Interest Expense

For financial liabilities measured at amortized cost using the rate that closely approximates effective interest rate, interest expense is recorded using such rate. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

However, the banks has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest expense at the coupon rate and continually measured the carrying amount of financial liability at cost/fair value less repayment.

3.15 Employee Benefits

Employee Benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.
Employee benefits include:

- Short term employee benefits
- Post employee benefits
- Other long term employee benefits
- Termination benefits

3.15.1 Short Term Employee Benefits

Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:

i. Wages, salaries and social security contributions;
ii. Paid annual leave and paid sick leaves;
iii. Profit sharing and bonuses;
iv. Non-monetary benefits (such as medical care, housing, cars) for current employees

Short term employee benefits are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.15.2 Post-Employment Benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment such as the following:
i. Retirement benefits (e.g.: gratuity, lump sum payments on retirement); and
ii. Other post-employment benefits such as post- employment life insurance

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which Bank pays fixed contribution into a separate Bank Account (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Bank by the employees and is recorded as an expense under 'Personnel expense' as and when they become due. Unpaid contributions are recorded as a liability under 'Other Liabilities'. Bank contributed 10% on the salary of each employee to the Employees' Provident Fund. The above expenses are identified as contributions to 'Defined Contribution Plans' as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

a) Gratuity

Bank's obligation in respect of defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Bank. An economic benefit is available to Bank if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Bank determines the interest expense on the defined benefit liability by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligations.

The increase in gratuity liabilities attributable to the services provided by employees during the year ended 16th July, 2018 (current service cost) has been recognized in the Statement of Profit or Loss under 'Personnel Expenses' together with the net interest expense. Bank recognizes the total actuarial gain and loss that arises in calculating Bank's obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

b) Unutilized Accumulated Leave

Bank's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. Bank's net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

3.15.3 Other Long Term Employee Benefits

Other long term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

3.15.4 Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

i. An entity's decision to terminate an employee's employment before the normal retirement date or
ii. An employee's decision to accept an offer of benefits in exchange for the termination of employment

3.16 Leases

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

3.16.1 Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance lease. When Bank is the lessor under finance lease, the amounts due under the leases, after deduction of unearned interest income, are included in 'Loans to & receivables from other customers', as appropriate. Interest income receivable is recognized in 'Net interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

When Bank is a lessee under finance leases, the leased assets are capitalized and included in 'Property and equipment' and the corresponding liability to the lesser is included in 'Other liabilities'. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or if lower, the present value of the minimum lease payments. Finance charges payable are recognized in 'Interest expenses' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

The bank does not have finance lease transactions at the reporting date.

3.16.2 Operating Lease

All other leases are classified as operating leases. When acting as lesser, Bank includes the assets subject to operating leases in 'Property and equipment' and accounts for them accordingly. Impairment losses are recognized to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

When Bank is the lessee, leased assets are not recognized on the Statement of Financial Position.

The bank has opted to apply carve out and recognize rentals payable and receivable under operating leases are accounted for on accrual basis based on agreement and are included in 'Other operating expenses' and 'Other operating income, respectively.

3.17 Foreign Currency Translation, Transactions and Balances

All foreign currency transactions are translated into the functional currency, which is Nepalese Rupees, using the exchange rates prevailing at the dates when the transactions were affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gains or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.
Foreign exchange differences arising on the settlement or

reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss.

3.18 Financial guarantee and loan commitment

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts may have various legal forms, such as a guarantee, some types of letter of credit, etc. where the bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts etc. whether cancellable or not and the bank had not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.19 Share capital and reserves

Share capital and reserves are different classes of equity claims. Equity claims are claims on the residual interest in the assets of the entity after deducting all its liabilities. Changes in equity during the reporting period comprise income and expenses recognized in the statement of financial performance; plus, contributions from holders of equity claims, minus distributions to holders of equity claims.

3.20 Earnings per share

Bank presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in Statement of Profit or Loss.

3.21 Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

The bank has identified the key segments of business on the basis geographical presence throughout the country.

3.22 Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the fair value of the Cash Generating Units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, appropriate valuation model is used.

3.23 Dividend on Ordinary Shares

Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date. Interim Dividend is deducted from equity when they are declared and is no longer at the discretion of the Bank.

3.24 Cash Flow Statement

The cash flow statement has been prepared using 'The Direct Method', whereby gross cash receipts and gross cash payments of operating activities, finance activities and investing activities have been recognized.

3.25 Comparative Figures

The figures have been regrouped /rearranged wherever necessary in order to facilitate comparison.

3.26 First Time Adoption of NFRS

As stated in Note 2.1, these are the Bank's first financial statements prepared in accordance with NFRSs.

The accounting policies set out in Note 3 have been applied in preparing the Financial Statements for the year ended 16th July 2018, the comparative information presented for the year ended 16th July 2017 and in the preparation of an opening NFRS based Statement of Financial Position at 16th July 2016 (the date of transition).

Exemptions

NFRS 1 First- time adoption of Nepal Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain NFRS.

The Bank has taken the following exemptions.

I. Business Combinations

Business combinations are not applied for subsidiaries, which are considered business for NFRS, or in interest in associates and joint ventures that occurred before 17th July 2016.

Use of this exemption means that the net carrying amounts of assets and liabilities, which are required to be recognized under NFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with NFRS. Assets and liabilities that do not qualify for recognition under NFRS are excluded from the opening NFRS statement of financial position.

The Bank did not recognize or exclude any previously recognized amounts as a result of NFRS recognition requirements. NFRS 1 also requires that the local net carrying amount of goodwill must be used in the opening NFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or de-recognition of intangible assets).

II. The Bank has elected to disclose the following amounts prospectively from the date of transition (i) the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and (ii) the experience adjustments arising on the plan liabilities and the plan assets.

III. The Bank has designated quoted and unquoted equity Instruments held as at 16th July 2018 and 16th July 2017 as Fair value through OCI Investments.

Consolidated Notes to Financial Statements

For the year ended 32 Ashadh 2075 (16th July 2018)

4.1 Cash & Cash Equivalent

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Cash in Hand	1,193,730,440	841,979,637	1,193,699,205	841,961,637
Balances with BFIs	921,404,695	712,664,754	727,283,322	614,385,891
Money at Call and Short Notice	-	-	-	-
Other.	413,395,504	371,719,626	413,395,504	371,719,626
Total	**2,528,530,639**	**1,926,364,017**	**2,334,378,031**	**1,828,067,154**

Other items in cash and cash equivalent includes interbank placements and other investments with maturity above 7 days and within 3 months, based on original maturity

4.2 Due from Nepal Rastra Bank

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory Balances with NRB	2,181,389,746	2,992,408,068	2,178,889,746	2,990,808,068
Securities purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	158,731,713	13,361,532	158,731,713	13,361,532
Total	2,340,121,459	3,005,769,600	2,337,621,459	3,004,169,600

Other deposit and receivables from NRB includes balance at NRB in foreign currency and “C” category government transaction related receivables.

4.3 Placements with Banks and Financial Instutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Placement with Domestic BFIs	-	60,000,000	-	-
Placement with Foreign BFIs	663,698,064	727,644,062	663,698,064	727,644,062
Less: Allowances for Impairment	-	-	-	-
Total	**663,698,064**	**787,644,062**	**663,698,064**	**727,644,062**

Placement with domestic as well as foreign BFIs with original maturities more than three months from the purchase date are presented above.

4.4 Derivative Financial Instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	482,850	424,350	482,850	424,350
Others	-	-	-	-
Total	**482,850**	**424,350**	**482,850**	**424,350**

4.5 Other Trading Assets

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Treasury Bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate Bonds	-	-	-	-
Equities	-	-	-	-
Other Trading Assets	-	-	-	-
Total	-	-	-	-
Pledged	-	-	-	-
Non Pledged	-	-	-	-

4.6 Loans and Advances to BFIs

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loans to Micro-Finance Institutions	1,588,097,969	915,211,068	1,888,097,969	1,114,366,738
Other	-	-	-	-
Less: Allowances for Impairment	(19,948,015)	(11,130,278)	(19,948,015)	(11,130,278)
Total	1,568,149,954	904,080,790	1,868,149,954	1,103,236,460
Particulars	Current Year	Previous Year	Current Year	Previous Year
Loans to Micro-Finance Institutions	1,579,602,530	913,872,177	1,879,602,530	1,113,027,847
Total	1,579,602,530	913,872,177	1,879,602,530	1,113,027,847
Interest Receivable	8,495,439	1,338,891	8,495,439	1,338,891
Total	1,588,097,969	915,211,068	1,888,097,969	1,114,366,738

4.6.1 Allowances for Impairment

Balance at Shrawan 01	**11,130,278**	**9,470,046**	**11,130,278**	**9,470,046**
Impairment Losss for the year:	-	-	-	-
Charge for the year	8,817,737	1,660,232	8,817,737	1,660,232
Recoveries/Reversal	-	-	-	-
Amount Written Off	-	-	-	-
Balance at Asar End	**19,948,015**	**11,130,278**	**19,948,015**	**11,130,278**

4.7 Loans and Advances to Customers

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loans and Advances measured at Amortized Cost	40,063,860,436	30,733,071,742	39,478,605,291	30,396,777,451
Less: Impairment Allowances	-	-	-	-
Collective Impairment	(371,328,162)	(280,627,145)	(365,500,019)	(277,291,379)
Individual Impairment	(860,992,012)	(1,082,674,317)	(858,311,390)	(1,081,169,225)
Net Amount	**38,831,540,262**	**29,369,770,280**	**38,254,793,882**	**29,038,316,847**
Loans and Advances measured at FVTPL	-	-	-	-
Total	**38,831,540,262**	**29,369,770,280**	**38,254,793,882**	**29,038,316,847**

4.7.1 Analysis of Loans and Advances - By Product

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Product				
Term Loans	7,768,753,751	6,305,724,743	7,768,753,751	6,305,724,743
Overdraft	6,864,583,756	5,513,037,663	6,864,583,756	5,513,037,663
Trust Receipt/Import Loans	3,961,549,453	1,287,666,473	3,961,549,453	1,287,666,473
Demand and other Working Capital Loans	8,223,514,375	7,707,094,884	8,223,514,375	7,707,094,884
Personal Residential Loans	1,808,367,117	1,348,123,043	1,808,367,117	1,348,123,043
Real Estate Loans	1,458,637,749	1,358,817,742	1,458,637,749	1,358,817,742
Margin Lending Loans	781,695,402	238,301,443	781,695,402	238,301,443
Hire Purchase Loans	2,691,448,693	2,635,715,164	2,691,448,693	2,635,715,164
Deprived Sector Loans	3,123,276,969	2,144,003,652	2,539,510,885	1,808,377,970
Bills Purchased	26,821,631	45,248,870	26,821,631	45,248,870
Staffs Loans	175,231,741	142,328,354	173,742,680	141,659,744
Other	2,667,697,336	1,520,068,870	2,667,697,336	1,520,068,870
Sub-Total	**39,551,577,973**	**30,246,130,899**	**38,966,322,829**	**29,909,836,609**
Interest Receivable	512,282,462	486,940,842	512,282,462	486,940,842
Grand Total	**40,063,860,436**	**30,733,071,742**	**39,478,605,291**	**30,396,777,451**

4.7.2 Analysis of Loans and Advances - By Currency

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Nepalese Rupee	37,169,696,601	30,203,443,394	36,584,441,456	29,867,149,103
Indian Rupee	10,685,189	30,123,870	10,685,189	30,123,870
United States Dollar	2,883,478,646	499,504,478	2,883,478,646	499,504,478
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Grand Total	**40,063,860,436**	**30,733,071,742**	**39,478,605,291**	**30,396,777,451**

4.7.3 Analysis of Loans and Advances - By Collateral

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Secured				
Moveable/Immoveable Assets	37,680,086,013	28,688,166,208	37,680,086,013	28,688,166,208
Gold and Silver	260,630,603	241,212,733	260,630,603	241,212,733
Guarantee of Domestic BFIs	-	-	-	-
Government Guarantee	-	-	-	-
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	-	-	-
Collateral of Fixed Deposit Receipt	150,838,583	145,236,925	150,838,583	145,236,925
Collatereal of Government Securities	-	-	-	-
Counter Guarantee	-	-	-	-
Personal Guarantee	3,017,500	12,149,950	3,017,500	12,149,950
Other Collateral	1,969,287,737	1,646,305,926	1,384,032,592	1,310,011,635
Subtotal	**40,063,860,436**	**30,733,071,742**	**39,478,605,291**	**30,396,777,451**
Unsecured	-	-	-	-
Grand Total	**40,063,860,436**	**30,733,071,742**	**39,478,605,291**	**30,396,777,451**

4.7.4 Allowance for Impairment

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Individual Allowance for Impairment				
Balance at Shrawan 01	1,082,674,317	787,485,283	1,081,169,225	786,731,792
Impairment Loss for the year	-	-	-	-
Charge for the year	(237,686,937)	295,189,034	(238,862,468)	294,437,433
Recoveries/Reversals during the year	-	-	-	-
Write-Offs	-	-	-	-
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Asar End	**844,987,380**	**1,082,674,317**	**842,306,758**	**1,081,169,225**
Collective Allowances for Impairment				
Balance at Sharawan 01	280,627,148	248,996,187	277,291,382	247,290,548
Impairment Loss for the year	-	-	-	-
Charge/(Reversal) for the year	106,705,646	31,630,958	104,213,269	30,000,831
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Asar End	**387,332,794**	**280,627,145**	**381,504,651**	**277,291,379**
Total Allowances for Impairment	**1,232,320,174**	**1,363,301,462**	**1,223,811,409**	**1,358,460,604**

4.8 Investment Securities

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Investment Securities measured at Amortized Cost	5,502,671,986	5,404,622,204	5,460,471,986	5,367,622,204
Investment in Equity measured at FVTOCI	109,956,128	113,722,923	66,002,352	77,300,558
Total	**5,612,628,114**	**5,518,345,127**	**5,526,474,338**	**5,444,922,762**

4.8.1 Investment Securities Measured at Amortized Cost

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Debt Securities	42,200,000	37,000,000	-	-
Government Bonds	5,158,592,672	5,122,229,646	5,158,592,672	5,122,229,646
Government Treasury Bills	301,879,314	49,585,427	301,879,314	49,585,427
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposit Instruments	-	-	-	-
Other(Foreign Share)	-	195,807,131	-	195,807,131
Less: Specific Allowances for Impairment	-	-	-	-
Total	**5,502,671,986**	**5,404,622,204**	**5,460,471,986**	**5,367,622,204**

4.8.2 Investment in Equity Measured at FVTOCI

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Equity Instruments				
Quoted Equity Securities	101,700,828	107,867,623	57,747,052	71,745,258
Unquoted Equity Securities	8,255,300	5,555,300	8,255,300	5,555,300
Total	**109,956,128**	**113,422,923**	**66,002,352**	**77,300,558**

4.8.3 Information relating to Investment in Equities

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Equity								
1.1 Mahila Saha Yatra Micro Finance Bitiya Sanstha Ltd								
40,000 Ordinary Shares Per Share 100 Paid Up (Bonus Share 4,000)	4,000,000	15,620,000	4,000,000	23,200,000	4,000,000	15,620,000	4,000,000	23,200,000
1.2 Jalvidhyut Lagani Tatha Bikas Company Ltd								
31,860 Ordinary Shares Per Share 100 Paid Up	3,186,000	4,938,300	3,186,000	6,276,420	3,186,000	4,938,300	3,186,000	6,276,420
1.3 Nepal Life Insurance Company Ltd								
1,741 Ordinary Shares Per Share 1,425 Paid Up (Bonus Share1349/435)	2,480,924	3,244,500	2,480,924	10,772,220	2,480,924	3,244,500	2,480,924	10,772,220
1.4 Mero Microfinance Bittiya Sanstha Ltd								
41 Ordinary Shares Per Share 100 Paid Up (Bonus Share 4)	4,100	62,640	4,100	90,364	4,100	62,640	4,100	90,364
1.5 Khanikhola Hydropower Company Ltd								
16 Ordinary Shares Per Share 100 Paid Up	1,600	1,712	1,600	3,328	1,600	1,712	1,600	3,328
1.6 National Microfinance Bittiya Sanstha Ltd								
19 Ordinary Shares Per Share 100 Paid Up	1,900	50,922	1,900	32,566	1,900	50,922	1,900	32,566
1.7 RSDC Laghubitta Bittiya Sanstha Ltd								
47 Ordinary Shares Per Share 100 Paid Up (Bonus Share 2)	4,700	28,305	1,400	41,300	4,700	28,305	1,400	41,300
1.8 Suryodaya Laghubitta Bittiya Sanstha Ltd								
17 Ordinary Shares Per Share 100 Paid Up	1,700	26,350	1,000	6,720	1,700	26,350	1,000	6,720
1.9 Arun Kagbeli Power Company Ltd								
295 Ordinary Shares Per Share 100 Paid Up	29,500	76,700	29,500	120,655	29,500	76,700	29,500	120,655
1.10 Synergy Power Company Ltd								
587 Ordinary Shares Per Share 100 Paid Up	58,700	72,788	58,700	142,641	58,700	72,788	58,700	142,641
1.11 Forward Microfinance Bittiya Sanstha Ltd								
26 Ordinary Shares Per Share 100 Paid Up	2,600	86,580	2,600	83,746	2,600	86,580	2,600	83,746
1.12 United Modi Hydropower Company Ltd								
337 Ordinary Shares Per Share 100 Paid Up	33,700	57,964	33,700	114,917	33,700	57,964	33,700	114,917
1.13 Chilimepower Company Ltd								
11,982 Ordinary Shares Per Share 1,776.46 Paid Up	21,285,514	10,886,200	21,285,514	9,561,636	21,285,514	10,886,200	21,285,514	9,561,636
1.14 Soaltee Hotel								
1,000 Ordinary Shares Per Share 603.886 Paid Up (Bonus Share 100)	603,887	307,395	603,887	361,000	603,887	307,395	603,887	361,000
1.15 Nepal Life Insurance Company Ltd								
700 Ordinary Shares Per Share 3,921.69 Paid Up (Bonus Share 542/175)	2,745,183	1,304,100	2,745,183	1,879,500	2,745,183	1,304,100	2,745,183	1,879,500
1.16 National Life Insurance Company Ltd								
1,297 Ordinary Shares Per Share 2623.84 Paid Up(bonus share 324/0)	3,403,116	1,295,179	3,403,116	2,983,100	3,403,116	1,295,179	3,403,116	2,983,100
1.17 NLG Insurance Company Ltd								
933 Ordinary Shares Per Share 1,730.27 Paid Up (Bonus Share 233/0)	1,614,346	1,084,380	1,614,346	1,385,505	1,614,346	1,084,380	1,614,346	1,385,505
1.18 Prudential Insurance Company Ltd								
1,300 Ordinary Shares Per Share 1,607.54 Paid Up (Bonus Share 572/260)	2,136,607	1,825,200	2,089,807	2,199,600	2,136,607	1,825,200	2,089,807	2,199,600
1.19 Nabil Equity Fund								
1,126,504 Ordinary Shares Per Share 10 Paid Up	11,265,040	11,107,329	11,265,040	11,265,040	11,265,040	11,107,329	11,265,040	11,265,040
1.20 Nabil Mutual Fund								
45747 Ordinary Shares Per Share 10 Paid Up	-	-	457,470	457,470	-	-	-	-
1.21Laxmi Laghubitta Bittiya Sanstha Ltd. (LLBS)	-	4,392	-	-	-	4,392	-	-
4 ordinary share @ Rs 1098								

1.22 Laxmi Value Fund I 100,000 Ordinary Shares Per Share 16.575 Paid Up	1,657,517	1,025,000	1,657,517	1,225,000	1,657,517	1,025,000	1,657,517	1,225,000
1.23 Citizens Mutual Fund 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	4,640,000	-	-	5,000,000	4,640,000		
1.24 Neco Insurance Company Ltd. 1 Ordinary Shares Per Share 100 Paid Up	100	1,116	-	-	100	1,116		
1.25 Asian Life Insurance Company Ltd. 700 Ordinary share @ Rs. 1520			1,064,000	1,064,000				
1.26 Butwal Power Company Ltd. 21,764 Ordinary share @ Rs. 669.95	14,580,896	14,580,896	9,993,955	9,993,955	-	-	-	-
1.27 Century Commercial Bank Ltd. 5,998 Ordinary Share@Rs.40.49	-	-	497,400	497,400	-	-	-	-
1.28 Citizen Bank International Ltd 30,923 Ordinary Share @ Rs 341.67	10,565,540	10,565,540	10,565,540	10,565,540	-	-	-	-
1.29 Fordward Microfinace Bittya Sanstha Ltd 108 Share Ordinary share@Rs.2,335.02	252,182	252,182	2,600	2,600	-	-	-	-
1.30 Jebils Finance Limited 5000 Ordinary Shares @ Rs. 111.11	555,550	555,550	-	-	-	-	-	-
1.31 Kalika Micro Credit Development Bank Ltd. 82 OrdinaryShare@Rs.100/	-	-	8,200	8,200	-	-	-	-
1.32 Mero Microfinace Bittya Sanstha Ltd. 45 Ordinary Shares @ Rs. 100	-	-	4,100	4,100	-	-	-	-
1.33 Mithila LaghuBitta Bikas Bank Ltd. 630 Share@Rs.82.38	-	-	51,900	51,900	-	-	-	-
1.34 Muktinath Development Bank Ltd 6,309 Ordinay Share @ Rs. 59.99	-	-	378,500	378,500	-	-	-	-
1.35 Nagbeli Laghubitta Bittya Sanstha Ltd. (17 Ordinary Share@Rs.41.18	-	-	700	700	-	-	-	-
1.36 Neco Insurance Company Limited Share 5,000 Ordinary Shares @ Rs. 561.28	2,806,400	2,806,400	-	-	-	-	-	-
1.37 Nepal Investment Bank Ltd. 3,576 Ordinary Share@Rs.500.833	-	-	1,790,980	1,790,980	-	-	-	-
1.38 Nepal Life Insurance Company Ltd 892 Ordinary Share @ Rs. 1140.64	-	-	1,017,450	1,017,450	-	-	-	-
1.39 NLG Insurance Co. Ltd. 797 Ordinary Share@Rs.608.89	485,285	485,285	648,020	648,020	-	-	-	-
1.40 Prabhu Bank Ltd. 30,837 Ordinary Share@Rs.357.02	11,009,288	11,009,288	8,300,000	8,300,000	-	-	-	-
1.41 Rural Microfinance Development Center Ltd. 2,308 Ordinary Share@Rs.150.38	-	-	321,667	321,667	-	-	-	-
1.42 Sagarmatha Insurance Company Ltd. 700 Ordinary Share@Rs.1,525	-	-	1,067,500	1,067,500	-	-	-	-
1.43 Samudayik Laghubitta Sanstha Ltd 703 Shares Ordinary @ Rs. 1200)	843,600	843,600	-	-	-	-	-	-
1.44 Sana Kisan Bikas Bank Ltd. (790 Ordinary Share@Rs 40.55)	32,035	32,035	160,308	160,308	-	-	-	-
1.45 Siddhartha Insurance Company Ltd. 850 Ordinary Share@Rs.1,500	-	-	1,275,000	1,275,000	-	-	-	-
1.46 Standard Chartered Bank Ltd. 7,65 Ordinary Share@Rs.1,290	-	-	986,850	986,850	-	-	-	-
1.47 Siddhartha Mutual Fund (50,000 Ordinary Share@Rs.10)	-	-	500,000	500,000	-	-	-	-
1.48 Sunrise Bank Ltd Share 11,500 Ordinary Shares @Rs. 245.39	2,822,000	2,822,000	-	-	-	-	-	-
1.49 Lumbini Bikas Bank Ltd 10 Ordinary shares @ Rs. 100	1,000	1,000	12,000	12,000	-	-	-	-
Fair value recognition of Previous GAAP provision	-	-	-	(2,981,775)	-	-	-	
Total Investment in Quoted Equity	**103,470,508**	**101,700,828**	**93,569,973**	**107,867,623**	**59,516,733**	**57,747,052**	**54,465,833**	**71,745,258**
Investment in Unquoted Equity								
1.1 Nepal Clearing House Limited 51,303 Ordinary Shares of Rs. 100 Paid up	5,130,300	5,130,300	5,130,300	5,130,300	5,130,300	5,130,300	5,130,300	5,130,300
1.2 General Insurance Company (Pvt. Ltd. / Ltd.) 30000/3,000 Ordinary Shares Per Share 100 Paid Up	3,000,000	3,000,000	300,000	300,000	3,000,000	3,000,000	300,000	300,000

1.3 Credit Information Bureau								
1,250 Ordinary Shares Per Share 100 Paid Up	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total Investment in Unquoted Equity	**8,255,300**	**8,255,300**	**5,555,300**	**5,555,300**	**8,255,300**	**8,255,300**	**5,555,300**	**5,555,300**
Total	**111,725,808**	**109,956,128**	**99,125,273**	**113,422,923**	**67,772,033**	**66,002,352**	**60,021,133**	**77,300,558**

4.9 Current Tax Assets

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Current Tax Assets	**311,256,629**	**327,352,319**	**294,818,779**	**309,102,047**
Current year Income Tax Assets	311,256,629	327,352,319	294,818,779	309,102,047
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities	**284,258,836**	**106,606,616**	**273,309,089**	**96,991,585**
Current year Income Tax Liabilities	284,258,836	106,606,616	273,309,089	96,991,585
Tax Liabilities of Prior Periods	-	-	-	-
Total	**26,997,794**	**220,745,703**	**21,509,690**	**212,110,462**

4.10 Investment in Subsidiaries

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Investment in Quoted Subsidiaries	-	-	51,000,000	51,000,000
Investment in Unquoted Subsidiaries	-	-	69,615,000	69,615,000
Total Investment	-	-	**120,615,000**	**120,615,000**
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	-	-	**120,615,000**	**120,615,000**

4.10.1 Investment in Quoted Subsidiaries

	Bank			
	Current Year		**Previous Year**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Civil Laghubitta Bittiya Sanstha Ltd. 510,000 Shares of Rs. 100.00 Each (Bonus Share 49,597.50)	51,000,000	375,870,000	51,000,000	664,020,000
Total	**51,000,000**	**375,870,000**	**51,000,000**	**664,020,000**

4.10.2 Investment in Unquoted Subsidiaries

	Bank			
	Current Year		**Previous Year**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Civil Capital Market Ltd. 535,500 Shares of Rs. 130.00 Each (Bonus Share 133 875)	69,615,000	69,615,000	69,615,000	69,615,000
Total	**69,615,000**	**69,615,000**	**69,615,000**	**69,615,000**

4.10.3 Information relating to Subsidiaries of the Bank

	Bank	
	Percentage of Ownership held by Bank	
	Current Year	**Previous Year**
Civil Laghubitta Bittiya Sanstha Ltd.	51%	51%
Civil Capital Market Ltd.	51%	51%
Total		

4.10.4 Non Controlling Interest of the Subsidiaries

	Group Current Year Civil Capital	Group Current Year Capital Laghubitta
Equity Interest held by NCI (%)	49%	49%
Profit (Loss) allocated during the year	5,014,902	5,519,547
Accumulated Balances of NCI as on Asar End	70,484,312	60,806,208
Dividend Paid to NCI		

	Previous Year Civil Capital	Previous Year Capital Laghubitta
Equity Interest held by NCI (%)	49%	49%
Profit (Loss) allocated during the year	9,188,699	3,044,453
Accumulated Balances of NCI as on Asar End	66,112,535	55,408,517
Dividend Paid to NCI		

4.11 Investment in Associates

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Investment in Quoted Associates	-	-	-	-
Investment in Unquoted Associates	-	-	-	-
Total Investment	-	-	-	-
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	-	-	-	-

4.11.1 Investment in Quoted Associates

	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
……….Ltd.	-	-	-	-	-	-	-	-
………Shares of Rs. ….. Each	-	-	-	-	-	-	-	-
……….Ltd.	-	-	-	-	-	-	-	-
………Shares of Rs. ….. Each	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

4.11.2 Investment in Unquoted Associates

	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
……….Ltd.	-	-	-	-	-	-	-	-
………Shares of Rs. ….. Each	-	-	-	-	-	-	-	-
……….Ltd.	-	-	-	-	-	-	-	-
………Shares of Rs. ….. Each	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

4.11.3 Information relating to Associates of the Bank

	Group		Bank	
	Percentage of Ownership held by Bank		Percentage of Ownership held by Bank	
	Current Year	Previous Year	Current Year	Previous Year
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-

4.11.4 Equity Value of Associates

	Group	
	Percentage of Ownership held by Bank	
	Current Year	Previous Year
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-

4.12 Investment Properties

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Investment Properties measured at Fair Value	-	-	-	-
Balance as on Shrawan 01.	-	-	-	-
Addition/(Disposal) during the year.	-	-	-	-
Net Changes in fair value during the year.	-	-	-	-
Adjustment/Transfer.	-	-	-	-
Net Amount	-	-	-	-
Investment Properties measured at Cost				
Balance as on Shrawan 01	199,735,870	1,715,774	199,735,870	1,715,774
Addition/(Disposal) during the year	(22,575,461)	198,020,096	(22,575,461)	198,020,096
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
Net Amount	177,160,409	199,735,870	177,160,409	199,735,870
Total	**177,160,409**	**199,735,870**	**177,160,409**	**199,735,870**

4.13 Property and Equipment

	Group									
Particulars	**Land**	**Building**	**Leasehold Properties**	**Computer & Accessories**	**Vehicles**	**Furniture & Fixtures**	**Machinery**	**Equipment & others**	**Total Asar end 2075**	**Total Asar end 2074**
Cost										
As on Shrawan 01, 2073	-	-	151,725,456	66,459,555	49,623,131	68,547,943	46,529,672	89,927,599	-	472,813,356
Addition during the year	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	40,445,114	20,225,986	23,214,899	18,937,112	7,798,485	30,157,112	-	140,778,708
Capitalization	-	-	1,360,885	3,678,297	-	1,560,968	-	11,654,134	-	18,254,284
Disposal during the year	-	-	(2,052,988)	(969,280)	(2,008,000)	-	-	(638,025)	-	(5,668,293)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2074	-	-	**191,478,467**	**89,394,558**	**74,966,530**	**89,046,024**	**59,572,965**	**133,698,131**	-	**638,156,675**
Addition during the Year	-	-	14,498,907	16,246,329	4,696,103	8,728,819	5,273,840	15,769,677	65,213,675	-
Acquisition	-	-	-	247,470	197,000	57,065	-	1,785,859	-	-
Capitalization	-	-	14,498,907	15,998,859	4,499,104	8,671,754	5,273,840	13,983,818	-	-
Disposal during the year	-	-	(4,829,891)	(1,360,135)	-	(1,139,719)	(29,737)	(3,422,481)	(10,781,963)	-
Adjustment/Revaluation	-	-	-	-	-	-	(6,666,744)	6,666,744	-	-
Balance as on Asar end 2075	-	-	**201,147,483**	**104,280,753**	**79,662,633**	**96,635,125**	**58,150,324**	**152,712,070**	**692,588,387**	**638,156,675**
Depreciation and Impairment										
As on Shrawan 01. 2073	-	-	67,471,300	40,593,905	25,975,021	28,920,580	21,554,937	39,550,046	-	224,065,789
Depreciation charge for the year	-	-	18,867,990	5,449,160	3,702,017	4,956,873	3,832,405	8,698,666	-	45,507,111
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(982,512)	-	(859)	(483,601)	-	(3,119)	-	(1,470,091)
Adjustment	-	-	21,871,824	17,366,066	17,065,701	15,608,744	5,902,404	23,357,294	-	101,172,033
As on Asar end 2074	-	-	**107,228,602**	**63,409,131**	**49,010,216**	**49,002,597**	**32,309,375**	**72,579,788**	-	**373,539,709**
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	22,975,621	6,681,444	4,338,816	5,115,368	3,735,259	11,838,257	54,684,765	-
Disposals	-	-	(4,286,913)	(1,065,043)	-	(948,798)	(27,865)	(2,591,780)	(8,920,399)	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Asar end 2075	-	-	**125,917,310**	**69,025,532**	**53,349,032**	**53,169,167**	**34,483,560**	**83,359,474**	**419,304,075**	**373,539,709**
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	**75,230,172**	**35,255,221**	**26,313,601**	**43,465,958**	**23,666,764**	**69,352,596**	-	-
As on Asar end 2073	-	-	**84,254,156**	**25,865,651**	**23,648,110**	**39,627,363**	**24,974,735**	**50,377,552**	**248,747,567**	-
As on Asar end 2074	-	-	**84,249,865**	**25,985,428**	**25,956,314**	**40,043,427**	**27,263,590**	**61,118,343**	**264,616,966**	-
As on Asar end 2075	-	-	**75,230,172**	**35,255,221**	**26,313,601**	**43,465,958**	**23,666,764**	**69,352,596**	**273,284,312**	-

					Bank					
Particulars	**Land**	**Building**	**Leasehold Properties**	**Computer & Accessories**	**Vehicles**	**Furniture & Fixtures**	**Machinery**	**Equipment & others**	**Total Asar end 2075**	**Total Asar end 2074**
Cost										
As on Shrawan 01 2073	-	-	149,233,530	63,303,664	45,617,081	66,281,188	46,529,672	87,187,697	-	458,152,832
Addition during the year	-	-	36,077,321	23,835,283	23,214,899	20,755,080	6,376,549	39,997,255	-	150,256,388
Acquisition	-	-	34,716,437	20,156,986	23,214,899	18,619,866	6,376,549	28,327,877	-	131,412,614
Capitalization	-	-	1,360,885	3,678,297	-	2,135,214	-	11,669,379	-	18,843,774
Disposal during the year	-	-	-	(969,280)	(2,000,000)	-	-	(638,025)	-	(3,607,305)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2074	-	-	**185,310,851**	**86,169,667**	**66,831,980**	**87,036,268**	**52,906,222**	**126,546,927**	-	**604,801,915**
Addition during the Year										
Acquisition	-	-	-	-	-	-	-	-	-	
Capitalization	-	-	14,498,907	15,998,859	4,499,104	8,671,754	5,273,840	13,983,818	62,926,282	
Disposal during the year	-	-	(4,829,891)	(1,360,135)		(1,139,719)	(29,737)	(3,422,481)	(10,781,963)	
Adjustment/Revaluation	-	-							-	
Balance as on Asar end 2075	-	-	**194,979,867**	**100,808,391**	**71,331,083**	**94,568,304**	**58,150,325**	**137,108,263**	**656,946,233**	**604,801,915**
Depreciation and Impairment										
As on Shrawan 01 2073	-	-	66,656,382	39,440,267	24,422,175	27,403,542	21,554,937	38,184,627	-	217,661,929
Depreciation charge for the year	-	-	18,867,990	5,449,160	3,702,017	4,956,873	3,832,405	8,698,666	-	45,507,112
Impairment for the year										
Disposals	-	-	-	(555,021)	(966,400)	-	-	(546,629)	-	(2,068,051)
Adjustments	-	-	21,200,590	17,409,966	17,169,256	15,387,612	5,388,824	22,513,106	-	99,069,354
As on Asar end 2074	-	-	**106,724,962**	**61,744,372**	**44,327,048**	**47,748,028**	**30,776,166**	**68,849,769**	-	**360,170,344**
Impairment for the year										
Depreciation charge for the year	-	-	21,755,095	6,256,728	3,625,556	4,912,930	3,735,259	9,518,896	49,804,465	-
Disposals	-	-	(4,286,913)	(1,065,043)		(948,798)	(27,865)	(2,591,780)	(8,920,398)	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Asar end 2075	-	-	**124,193,144**	**66,936,057**	**47,952,604**	**51,712,160**	**34,483,560**	**75,776,885**	**401,054,411**	**360,170,344**
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-	-	-	-	-
As on Asar end 2073	-	-	**82,577,148**	**23,863,397**	**21,194,906**	**38,877,646**	**24,974,735**	**49,003,070**	**240,490,902**	-
As on Asar end 2074	-	-	**78,585,889**	**24,425,295**	**22,504,932**	**39,288,241**	**22,130,056**	**57,697,158**	**244,631,570**	-
As on Asar end 2075	-	-	**70,786,723**	**33,872,334**	**23,378,479**	**42,856,143**	**23,666,764**	**61,331,378**	**255,891,822**	-

4.14 Goodwill and Intangible Assets

Particulars	Group					
		Software				
	Goodwill	Purchased	Developed	Other	Total Asar end 2075	Total Asar end 2074
Cost						
As on Shrawan 01 2073	12,029,559	66,771,122	-	-	-	78,800,681
Addition during the year.	-	21,352,378	-	-	-	21,352,378
Acquisition.	-	13,441,390	-	-	-	-
Capitalization.	-	7,910,988	-	-	-	-
Disposal during the year.	-	(4,944,947)	-	-	-	(4,944,947)
Adjustment/Revaluation.	-		-	-	-	-
Balance as on Asar end 2074	**12,029,559**	**83,433,274**	**-**	**-**	**-**	**95,462,833**
Addition during the Year	-	16,162,532	-	-	16,162,532	-
Acquisition	-	305,100	-	-	-	-
Capitalization	-	15,857,432	-	-	-	-
Disposal during the year	-	(18,882)	-	-	(18,882)	-
Adjustment/Revaluation	-		-	-	-	-
Balance as on Asar end 2075	**12,029,559**	**99,576,924**	**-**	**-**	**111,606,483**	**95,462,833**
Amortisation and Impairment						
As on Shrawan 01 2073	-	43,980,666	-	-	-	43,980,666
Acquisition	-	35,591	-	-	-	35,591
Amortisation charge for the year	-	8,899,890	-	-	-	8,899,890
Impairment for the year	-		-	-	-	
Disposals	-	(4,944,947)	-	-	-	(4,944,947)
Adjustment	-		-	-	-	-
As on Asar end 2074	**-**	**47,971,199**	**-**	**-**	**-**	**47,971,199**
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	9,978,605	-	-	9,978,605	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asar end 2075	**-**	**57,949,804**	**-**	**-**	**57,949,804**	**47,971,199**
Capital Work in Progress	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value	**-**	**41,627,120**	**-**	**-**	**-**	**-**
As on Asar end 2073	**12,029,559**	**22,790,456**	**-**	**-**	**34,820,015**	**-**
As on Asar end 2074	**12,029,559**	**35,462,075**	**-**	**-**	**47,491,634**	**-**
As on Asar end 2075	**12,029,559**	**41,627,120**	**-**	**-**	**53,656,679**	**-**

Particulars	Goodwill	Software Purchased	Developed	Other	Total Asar end 2075	Total Asar end 2074
		Bank				
Cost						
As on Shrawan 01 2073	-	65,817,395	-	-	-	65,817,395
Addition during the year	-	21,047,445	-	-	-	21,047,445
Acquisition	-	13,136,457	-	-	-	13,136,457
Capitalization	-	7,910,988	-	-	-	7,910,988
Disposal during the year	-	(4,944,947)	-	-	-	(4,944,947)
Adjustment/Revaluation	-		-	-	-	-
Balance as on Asar end 2074	**-**	**81,919,894**	**-**	**-**	**-**	**81,919,894**
Addition during the Year					-	
Acquisition	-	-	-	-	-	-
Capitalization	-	15,857,432	-	-	15,857,432	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Asar end 2075	**-**	**97,777,325**	**-**	**-**	**97,777,325**	**81,919,894**
Amortisation and Impairment						
As on Shrawan 01. 2073	-	43,508,110	-	-	-	43,508,110
Acquisition	-	35,591	-	-	-	35,591
Amortisation charge for the year	-	8,788,342	-	-	-	8,788,342
Impairment for the year	-	-	-	-	-	-
Disposals	-	(4,944,947)	-	-	-	(4,944,947)
Adjustment	-	-	-	-	-	-
As on Asar end 2074	**-**	**47,387,096**	**-**	**-**	**-**	**47,387,096**
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	9,806,037	-	-	9,806,037	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asar end 2075	**-**	**57,193,133**	**-**	**-**	**57,193,133**	**47,387,096**
Capital Work in Progress	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value	**-**	**40,584,193**	**-**	**-**	**-**	**-**
As on Asar end 2073	**-**	**22,309,285**	**-**	**-**	**22,309,285**	**-**
As on Asar end 2074	**-**	**34,532,798**	**-**	**-**	**34,532,798**	**-**
As on Asar end 2075	**-**	**40,584,193**	**-**	**-**	**40,584,193**	**-**

4.15 Deferred Tax

Particulars	Group			Bank		
	Deferred Tax Assets	Deferred Tax Liabilities	Current Year Net Deferred Tax Assets /(Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Current Year Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items						-
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	129,203,447	(129,203,447)	-	129,203,447	(129,203,447)
Investment Properties	-	53,148,123	(53,148,123)	-	53,148,123	(53,148,123)
Investment Securities	268,667	196,330	72,338	268,667	196,330	72,338
Property and Equipment	180,359	11,213,704	(11,033,346)	-	11,135,014	(11,135,014)
Employees' Defined Benefit Plan	32,547,645	-	32,547,645	32,547,645	-	32,547,645
Lease Liabilities	-	-	-	-	-	-
Provisions	4,228,862	-	4,228,862	-	-	-
Other Temporary Differences	-	-	-	-	-	-
Deferred tax on temporary differences	**37,225,534**	**193,761,604**	**(156,536,071)**	**32,816,313**	**193,682,913**	**(160,866,601)**
Deferred tax on carry forward of unused tax losses	-	-	11,843,131	-	-	11,843,131
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2075	-	-	**(144,692,939)**	-	-	**(149,023,470)**
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2074	-	-	164,133,434	-	-	164,531,678
Origination/(Reversal) during the year	-	-	(10,779,433)	-	-	(15,508,208)
Deferred Tax expense (income) recognized in profit or loss	-	-	(11,891,495)	-	-	(7,959,209)
Deferred Tax expense (income) recognized in OCI	-	-	(7,548,999)	-	-	(7,548,999)
Deferred Tax expense (income) recognized directly in Equity	-	-	-	-	-	-

Particulars	Group			Bank		
	Deferred Tax Assets	Deferred Tax Liabilities	Previous Year Net Deferred Tax Assets /(Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Previous Year Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	129,203,447	(129,203,447)	-	129,203,447	(129,203,447)
Investment Properties	-	59,920,761	(59,920,761)	-	59,920,761	(59,920,761)
Investment Securities	1,637,773	6,647,635	(5,009,862)	1,637,773	6,647,635	(5,009,862)
Property and Equipment	153,731	10,004,460	(9,850,728)	-	9,880,708	(9,880,708)
Employees' Defined Benefit Plan	24,641,231	-	24,641,231	24,641,231	-	24,641,231
Lease Liabilities	-	-	-	-	-	-
Provisions	368,264	-	368,264	-	-	-
Other Temporary Differences	-	-	-	-	-	-
Deferred tax on temporary differences	**26,801,000**	**205,776,303**	**(178,975,303)**	**26,279,004**	**205,652,552**	**(179,373,547)**
Deferred tax on carry forward of unused tax losses	-	-	14,841,869	-	-	14,841,869
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2074	-	-	**(164,133,434)**	-	-	**(164,531,678)**
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2073	-	-	65,091,092	-	-	65,373,473
Origination/(Reversal) during the year	-	-	99,158,205	-	-	99,158,205
Deferred Tax expense (income) recognized in profit or loss	-	-	116,188,407	-	-	116,304,270
Deferred Tax expense (income) recognized in OCI	-	-	(5,495,625)	-	-	(5,495,625)
Deferred Tax expense (income) recognized directly in Equity	-	-	-	-	-	-

4.16 Other Assets

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Assets held for Sale	-	-	-	-
Other Non-Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	73,452,929	207,497,074	68,734,325	201,849,537
Accrued Income	163,317	-	-	-
Prepayments and Deposits	40,477,273	27,215,739	32,053,024	23,655,045
Income Tax Deposit	31,006,628	29,990,208	31,006,628	29,990,208
Deferred Employee Expenditure	159,689,829	70,001,296	159,689,829	70,001,296
Other Assets	44,138,530	17,359,518	32,385,719	15,513,689
Total	**348,928,506**	**352,063,835**	**323,869,525**	**341,009,775**

4.17 Due to Banks and Financial Institutions

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Money Market Deposits	-	-	-	-
Interbank Borrowing	803,700,000	400,074,852	759,700,000	400,000,000
Other Deposits from BFIs	5,790,075,876	3,049,044,599	5,790,075,876	3,049,044,599
Settlement and Clearing Accounts	-	-	-	-
Total	**6,593,775,876**	**3,449,119,451**	**6,549,775,876**	**3,449,044,599**

4.18 Due to NRB

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Refinance from NRB	548,723,987	3,500,000	548,723,987	3,500,000
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other Payable to NRB	-	-	-	-
Total	**548,723,987**	**3,500,000**	**548,723,987**	**3,500,000**

4.19 Derivative Financial Instruments

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

4.20 Deposits from Customers

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Institutional Customers:	**15,914,328,597**	**16,584,371,329**	**15,825,413,961**	**16,619,776,731**
Term Deposits.	10,618,094,346	10,587,486,131	10,618,094,346	10,587,486,131
Call Deposits	3,921,655,578	5,019,039,922	3,832,740,942	5,054,445,324
Current Deposits.	1,328,698,997	954,164,254	1,328,698,997	954,164,254
Others.	45,879,676	23,681,022	45,879,676	23,681,022
Individual Customers:	**18,399,248,471**	**14,672,934,109**	**18,397,183,052**	**14,566,421,445**
Term Deposits	8,013,215,145	8,089,985,388	8,013,215,145	8,089,985,388
Saving Deposits	9,573,187,882	5,920,428,491	9,573,187,882	5,815,183,636
Current Deposits	216,099,430	94,266,826	216,099,430	94,266,826
Others	596,746,014	568,253,404	594,680,595	566,985,595
Total	**34,313,577,068**	**31,257,305,438**	**34,222,597,013**	**31,186,198,176**

4.20.1 Currency wise analysis of deposit from customers

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Nepalese Rupee	34,188,523,904	30,826,491,134	34,097,543,848	30,755,383,872
Indian Rupee	-	-	-	-
United States Dollar	138,802,195	460,443,759	138,802,195	460,443,759
Great Britain Pound	14,795	282,865	14,795	282,865
Euro	522,484	466,514	522,484	466,514
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	**34,313,577,068**	**31,257,305,438**	**34,222,597,013**	**31,186,198,176**

4.21 Borrowings

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Domestic Borrowings				
Nepal Government	-	-	-	-
Other Institutions.	-	-	-	-
Other	645,954	853,575	-	-
Sub Total	**645,954**	**853,575**	**-**	**-**
Foreign Borrowings				
Foreign Banks and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**
Total	**645,954**	**853,575**	**-**	**-**

4.22 Provisions

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Provisions for Redundancy	-	-	-	-
Provisions for Restructuring	-	-	-	-
Pending Legal Issues and Tax Litigation	-	-	-	-
Onerous Contracts	-	-	-	-
Other Provisions	1,239,150	798,725	1,059,250	618,825
Total	1,239,150	798,725	1,059,250	618,825

4.22.1 Movement in Provision

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Balance at Shrawan 01	798,725	542,275	618,825	362,375
Provisions made during the year	1,239,150	798,725	1,059,250	618,825
Provisions used during the year	(798,725)	(542,275)	(618,825)	(362,375)
Provisions reversed during the year	-	-	-	-
Unwind of Discount	-	-	-	-
Balance at Asar end	**1,239,150**	**798,725**	**1,059,250**	**618,825**

The audit fee payable of the respective year has been shown under provision.

4.23 Other Liabilities

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Liabilities for emloyees defined benefit obligations	69,773,535	51,645,872	68,648,570	50,948,920
Liabilities for long service leave	41,177,110	31,835,231	39,843,581	31,188,518
Short term employee benefits	236,840	236,840	10,737	10,737
Bills payable	69,270,491	22,791,621	69,270,491	22,791,621
Creditors and accruals	185,401,374	69,890,521	185,143,361	69,644,063
Interest payable on deposits	14,286,309	30,378,834	14,286,309	30,378,834
Interest payable on borrowing	2,077,374	14,795	2,077,374	14,795
Liabilities on defered grant income	-	-	-	-
Unpaid Dividend	36,660,361	44,124,392	36,660,361	44,124,392
Liabilities under Finance Lease	-	-	-	-
Employee bonus payable	93,016,321	47,510,423	89,524,935	43,561,873
Other Liabilities	301,354,706	156,285,561	98,668,655	75,648,865
Total	**813,254,421**	**454,714,090**	**604,134,374**	**368,312,618**

4.23.1 Defined Benefit Obligation

	Group		Bank	
The amounts recognised in the statements of financials positions are as follows :				
Particulars	Current Year	Previous Year	Current Year	Previous Year
Present value of unfunded obligations	68,648,570	50,948,920	68,648,570	50,948,920
Present value of funded obligations	-	-	-	-
Total present value of obligations	**68,648,570**	**50,948,920**	**68,648,570**	**50,948,920**
Fair value of plan assets	-	-	-	-
Present value of net obligations	68,648,570	50,948,920	68,648,570	50,948,920
Recognised liability for defined benefit obligations	68,648,570	50,948,920	68,648,570	50,948,920

All the Defined benefit obligation(Gratuity and leave) are unfunded obligation as the bank has not maintained any plan assets.

4.23.2 Plan Assets

	Group		Bank	
Plan assets comprise				
Particulars	Current Year	Previous Year	Current Year	Previous Year
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Actual return on plan assets

4.23.3 Movement in the Present Value of Defined Benefit Obligations

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligations at Sawan 1	50,948,920	38,715,652	50,948,920	38,715,652
Actuarial losses	6,114,224	813,163	6,114,224	813,163
Benefits paid by the plan	(3,654,236)	(954,213)	(3,654,236)	(954,213)
Current service costs and interest	15,239,662	12,374,318	15,239,662	12,374,318
Defined benefit obligations at Asar end	**68,648,570**	**50,948,920**	**68,648,570**	**50,948,920**

4.23.4 Movement in the Fair Value of Plan Assets

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at Sawan 1	-	-	-	-
Contributions paid into the plan	-	-	-	-
Benefits paid during the year	-	-	-	-
Actuarial (losses) gains	-	-	-	-
Expected return on plan assets	-	-	-	-
Fair value of plan assets at Asar end	-	-	-	-

4.23.5 Amount Recognised in Profit or Loss

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Current service costs	11,298,607	9,375,670	11,298,607	9,375,670
Interest on obligation	3,941,055	2,998,648	3,941,055	2,998,648
Expected return on plan assets	-	-	-	-
Total	**15,239,662**	**12,374,318**	**15,239,662**	**12,374,318**

4.23.6 Amount Recognised in Other Comprehensive Income

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Acturial (gain)/loss	6,114,224	813,163	6,114,224	813,163
Total	**6,114,224**	**813,163**	**6,114,224**	**813,163**

Note:- Only acturial gains and losses relating to gratuity has been recognised in other comprehensive income.

4.23.7 Actuarial Assumptions

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Discount rate	8%	8%	8%	8%
Expected return on plan asset	0%	0%	0%	0%
Future salary increase	10%	10%	10%	10%
Withdrawal rate	15%	15%	15%	15%

4.24 Debt Securities Issued

	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	-	-	-	-
Total	-	-	-	-

4.25 Subordinated Liabilities

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Redeemable preference shares	-	-	-	-
Irredemable cumulative preference shares (liabilities component	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.26 Share Capital

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Ordinary shares	7,259,310,362	5,185,221,687	7,259,310,362	5,185,221,687
Convertible preference shares (equity component only)	-	-	-	-
Irredemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	**7,259,310,362**	**5,185,221,687**	**7,259,310,362**	**5,185,221,687**

4.26.1 Ordinary Shares

	Bank	
Particulars	Current Year	Previous Year
Authorized Capital		
100,000,000.00 Ordinary share of Rs. 100 each	10,000,000,000	10,000,000,000
Issued capital		
72,593,104 Ordinary share of Rs. 100 each	7,259,310,362	5,185,221,687
Subscribed and paid up capital		
72,593,104 Ordinary share of Rs. 100 each	7,259,310,362	5,185,221,687
Total	**7,259,310,362**	**5,185,221,687**

Notes on Paid-Up Capital to be raised minimum to Rs. 8,000,000,000.00 as prescribed by Nepal Rastra Bank	
Particulars	**Amount**
Paid up capital at the end of Ashad 2075	7,259,310,362
Bonus Share proposed and Approved by NRB for FY2073/74	744,079,312
Total Paid-Up Capital after issue of Bonus Share to be approved by AGM	**8,003,389,674**

The Bank has proposed Bonus Share amounting NPr. 744,079,312 for FY 2073/74 which has been approved by Nepal Rastra Bank.After approval of proposed bonus through the AGM of shareholders,the Paid-Up capital of Bank shall comply with minimum capital requirement of NPR. 8,000,000,000.00 as prescribed by Nepal Rastra Bank

4.26.2 Ordinary Share Ownership

Particulars	Bank			
	Current Year		Previous Year	
	Percent	Amount	Percent	Amount
Domestic ownership	-	-		
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
Other Institutions	12.11%	879,050,800	17.71%	918,175,900
Public	86.81%	6,301,770,662	80.78%	4,188,556,887
Other	-	-	-	-
Foreign ownership	1.08%	78,488,900	1.51%	78,488,900
Total	**100.00%**	**7,259,310,362**	**100.00%**	**5,185,221,687**

4.27 Reserves

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory general reserve	729,651,351	603,671,457	729,651,351	603,671,457
Exchange equilisation reserve	16,162,975	13,074,617	16,162,975	13,074,617
Corporate social responsibility reserve	9,781,791	3,482,796	9,781,791	3,482,796
Capital redemption reserve	-	-	-	-
Regulatory reserve	637,942,783	-	637,942,783	-
Investment adjustment reserve	72,615,000	71,446,762	72,615,000	71,446,762
Capital reserve	-	-	-	-
Assets revaluation reserve	-	-	-	-
Fair value reserve	(1,238,777)	12,095,597	(1,238,777)	12,095,597
Dividend equalisation reserve	-	-	-	-
Actuarial gain	(15,855,297)	(11,575,340)	(15,855,297)	(11,575,340)
Special reserve	-	-	-	-
Other reserve	35,536,834	35,606,855	35,536,834	35,606,855
Capital Adjustment Fund	35,536,834	35,536,834	35,536,834	35,536,834
Employee Training Reserve	-	70,021	-	70,021
Total	**1,484,596,660**	**727,802,744**	**1,484,596,660**	**727,802,744**

Statutory General Reserve

General reserve maintained as per the regulatory requirements. The regulatory requirement to set aside 20% of net profit until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit

Exchange Equalization Reserve

Exchange equalization is maintained as per requirement of NRB Directive, which is set at 25% of foreign exchange revaluation gain on the translation to the reporting currency. This reserve is accumulation of such gains over the years

Corporate Social Responsibility Reserve

Corporate Social Responsibility Reserve is created as per NRB directive, which is set aside of 1% of net profit of previous year. The balance in the reserve is the amount which is not exhausted in the current fiscal year to be utilized for Corporate Social Responsibility Objective in the coming years. For details refer notes no 5.9.

Regulatory Reserve

Regulatory Reserve is created due to the changes in the NFRS conversion and adoption with effect in the retained earnings of the bank

Investment Adjustment Reserve

Investment Adjustment Reserve is created as per the directive of NRB created against the quoted as well as unqoted investments. For details refer notes no 5.9.

Fair Value Reserve

The fair value reserve is created against the valuation of the investment of the bank as per the fair valuation of the investment made, quoted as available for sale investments. For details refer notes no 5.8 (j).

Actuarial gain/(losses)

The reserve created against the actuarial valutation of gratuity benefit to the employee of the bank.For details refer notes no 5.9.

Other Reserves

Other Reserves include reserve created for the Employee Training Reserve created as per the NRB directive, the allocation is utilized in the current year and remaining balances is transferred to training reserve which is created to be utilized for training expenses in coming years. It also includes Capital Adjustment Reserve created against the income recognition by capitalization in loans, for which capitalization is allowed by NRB, but distribution is not done till the settlement of the capitalized interest part. For details refer notes no 5.9.

4.28 Contingent liabilities and Commitments

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Contingent liabilities	9,672,446,554	5,821,605,290	9,672,446,554	5,821,605,290
Undrawn and undisbursed facilities	5,078,358,104	3,302,260,673	5,078,358,104	3,302,260,673
Capital commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	75,305,957	72,256,699	75,305,957	72,256,699
Total	**14,826,110,615**	**9,196,122,662**	**14,826,110,615**	**9,196,122,662**

4.28.1 Contingent Liabilities

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Acceptance and documentary credit	5,510,737,704	2,983,264,170	5,510,737,704	2,983,264,170
Bills for collection	10,802,230	62,425,403	10,802,230	62,425,403
Forward exchange contracts	1,546,537,369	56,155,650	1,546,537,369	56,155,650
Guarantees	2,604,369,251	2,719,760,067	2,604,369,251	2,719,760,067
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	9,672,446,554	5,821,605,290	9,672,446,554	5,821,605,290

4.28.2 Undrawn and Undisbursed Facilities

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Undisbursed amount of loans	-	-	-	-
Undrawn limits of overdrafts	1,134,409,638	849,679,463	1,134,409,638	849,679,463
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	2,756,587,675	1,683,853,416	2,756,587,675	1,683,853,416
Undrawn limits of guarantee	1,187,360,791	768,727,794	1,187,360,791	768,727,794
Total	**5,078,358,104**	**3,302,260,673**	**5,078,358,104**	**3,302,260,673**

4.28.3 Capital Commitments

Capital expenditure approved by relevant authority of the bank but provision has not been made in financial statements				
	Group		**Bank**	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Capital commitments in relation to Property and Equipment	-	-	-	-
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Capital commitments in relation to Intangible assets	-	-	-	-
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

4.28.4 Lease commitments

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Operating lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-	-	-
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	-	-	-	-
Finance lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-	-	-
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	-	-	-	-
Grand total	-	-	-	-

4.28.5 Litigation

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Income Tax Liability	75,305,957	72,256,699	75,305,957	72,256,699
Grand total	**75,305,957**	**72,256,699**	**75,305,957**	**72,256,699**

Large Tax Payers' Office (LTPO) conducts its assessment of each year's tax filing within four years of the completion of income year (generally). Following its assessment, LTPO can issue its reassessment order revising tax liability of the Bank. However, the Bank may choose to contest against such decisions by applying for administrative review from Director General at Inland Revenue Department (IRD) level, case filing at Revenue Tribunal and case filing at Supreme Court. Till the balance sheet date, the Bank's corporate tax liability up to income year 2067-68 has been cleared by the tax authority. Further, reassessment from LTPO has been completed up to fiscal year 2070/71. The Bank has contested against the upward revision in tax liability as issued by LTPO in their reassessment order.

4.29 Interest Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Cash and cash equivalent	39,619,754	40,036,609	20,729,276	19,563,335
Due from Nepal Rastra Bank	16,685	3,781,683	16,685	3,781,683
Placement with bank and financial institutions	3,783,350	1,967,895	3,066,281	1,031,009
Loan and advances to bank and financial institutions	-	-	-	-
Loans and advances to customers	4,197,207,482	3,241,967,723	4,125,146,992	3,202,743,710
Investment securities	264,128,733	168,806,976	263,970,925	165,201,186
Loan and advances to staff	28,928,055	17,904,068	28,928,055	17,904,068
Other Interest Income	-	-	-	-
Total interest income	**4,533,684,059**	**3,474,464,954**	**4,441,858,214**	**3,410,224,991**

4.30 Interest Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Due to bank and financial institutions	51,010,096	14,878,183	25,876,113	12,738,739
Due to Nepal Rastra Bank	19,711,563	785,700	19,711,563	742,575
Deposits from customers	2,991,017,916	2,068,549,104	2,987,873,219	2,071,384,202
Borrowing	42,272	-	-	-
Debt securities issued	-	-	-	-
Subordinated liabilities	-	-	-	-
Other Charges	147,627	88,126	-	-
Total Interest expense	**3,061,929,474**	**2,084,301,113**	**3,033,460,895**	**2,084,865,516**

4.31 Fees and Commission Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan administration fees	115,434,253	10,438,327	115,434,253	10,438,327
Service fees	19,763,175	4,103,478	6,918,409	4,103,478
Consortium fees	-	-	-	-
Commitment fees	-	-	-	-
DD/TT/Swift fees	6,896,785	4,031,005	6,896,785	4,031,005
Credit card/ATM issuance and renewal fees	13,634,637	12,754,601	13,634,637	12,754,601
Prepayment and swap fees	17,529,082	71,409,809	17,529,082	71,409,809
Investment banking fees	-	-	-	-
Asset management fees	-	-	-	-
Brokerage fees	3,124,974	8,402,542	3,124,974	8,402,542
Remittance fees	4,269,190	4,492,040	4,269,190	4,492,040
Commission on letter of credit	35,200,099	27,799,568	35,200,099	27,799,568
Commission on guarantee contracts issued	35,524,895	32,409,912	35,524,895	32,409,912
Commission on share underwriting/issue	-	-	-	-
Locker rental	1,117,325	713,950	1,117,325	713,950
Other fees and commision income	9,778,536	8,811,724	2,688,376	3,402,137
Total Fees and Commission Income	**262,272,951**	**185,366,956**	**242,338,025**	**179,957,369**

4.32 Fees and Commission Expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
ATM management fees	3,747,116	3,865,333	3,747,116	3,865,333
VISA/Master card fees	12,705,669	6,476,916	14,244,432	6,476,916
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees.	4,555,382	2,180,657	4,555,382	2,180,657
Remittance fees and commission	180,862	114,097	-	-
Other fees and commission expense	551,606	15,070	551,606	11,070
Total Fees and Commission Expense	**21,740,635**	**12,652,073**	**23,098,536**	**12,533,976**

4.33 Net Trading income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Changes in fair value of trading assets	-	-	-	-
Gain/loss on disposal of trading assets	-	-	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	-	-	-	-
Gain/loss foreign exchange transaction	156,578,999	86,685,613	156,578,999	86,685,613
Other	-	-	-	-
Net trading income	**156,578,999**	**86,685,613**	**156,578,999**	**86,685,613**

4.34 Other Operating Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Foreign exchange revauation gain	12,353,428	12,421,451	12,353,428	12,421,451
Gain/loss on sale of investment securities	341,454	(880,388)	-	-
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	2,338,082	8,963,263	1,398,218	8,769,551
Gain/loss on sale of property and equipment	(712,374)	32,004	(712,374)	32,004
Gain/loss on sale of investment property	4,766,289	3,589,449	4,766,289	3,589,449
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	10,373,082	6,648,876	10,373,082	6,648,876
Other Operating Income	37,676,823	34,182,053	14,974,964	16,320,570
Total	**67,136,784**	**64,956,708**	**43,153,607**	**47,781,901**

4.35 Impairment charge/(reversal) for loan and other losses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	8,817,737	3,770,732	8,817,737	3,770,732
Impairment charge/(reversal) on loan and advances to customers	(130,981,290)	99,873,933	(134,649,198)	97,492,205
Impairment charge/(reversal) on financial Investment	10,239,388	(14,547,902)	-	(14,547,902)
Impairment charge/(reversal) on placement with BFIs	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	2,681,775	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	(80,741,911)	-	(80,741,911)
Total	**(111,924,165)**	**11,036,627**	**(125,831,461)**	**5,973,124**

4.36 Personnel Expenses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Salary	234,521,882	170,535,504	211,403,487	152,413,334
Allowances	166,335,357	124,579,011	157,400,160	117,321,532
Gratuity Expense	15,359,560	12,470,023	15,239,663	12,374,317
Provident Fund	23,047,200	15,116,392	22,054,200	14,364,598
Uniform	4,544,700	2,964,242	4,374,700	2,964,242
Training & development expense	11,441,983	6,939,377	10,830,091	6,852,257
Leave encashment	21,059,691	8,645,557	19,994,505	8,231,476
Medical	-	-	-	-
Insurance	3,087,585	2,573,940	2,985,474	2,573,940
Employees incentive	286,052	-	286,052	-
Cash-settled share-based payments	-	-	-	-

Pension expense	308,116	57,139	-	-
Finance expense under NFRS	17,228,205	(1,888,220)	17,228,205	(1,888,220)
Other expenses related to staff	7,259,433	4,702,489	7,091,761	4,422,243
Subtotal	**504,479,764**	**346,695,454**	**468,888,298**	**319,629,719**
Employees Bonus	92,514,249	47,008,351	89,524,935	43,561,873
Grand total	**596,994,013**	**393,703,805**	**558,413,233**	**363,191,592**

4.37 Other Operating Expense

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Directors' fee	1,913,700	2,161,070	1,292,000	1,828,000
Directors' expense	248,834	488,974	221,626	488,974
Auditors' remuneration	1,254,300	965,340	1,073,500	627,150
Other audit related expense	664,753	281,694	311,835	281,694
Professional and legal expense	3,439,067	4,872,447	2,993,701	4,125,432
Office administration expense	41,603,035	30,505,117	36,465,228	24,965,075
Operating lease expense	111,586,004	77,599,363	104,334,540	71,150,471
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	69,412	50,000	69,412	50,000
Onerous lease provisions	-	-	-	-
Other Expenses	213,350,430	159,770,686	204,791,380	152,197,509
Total	**374,129,535**	**276,694,691**	**351,553,222**	**255,714,305**

4.38 Depreciation and Amortisation

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Depreciation on property and equipment	54,857,010	49,789,388	49,804,465	45,507,112
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	9,806,037	8,788,342	9,806,037	8,788,342
Total	**64,663,047**	**58,577,730**	**59,610,502**	**54,295,454**

4.39 Non Operating Income

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Recovery of loan written off	42,090,038	18,284,500	42,090,038	18,284,500
Other income (Bargain Purchase Gain)	-	906,841,684	-	906,841,684
Total	**42,090,038**	**925,126,184**	**42,090,038**	**925,126,184**

4.40 Non Operating Expenses

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Loan written off	130,142,657	120,944,746	130,142,657	120,944,746
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense.	321,956	-	321,956	-
Total	**130,464,613**	**120,944,746**	**130,464,613**	**120,944,746**

4.41 Income Tax Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current tax expense	**284,258,836**	**106,606,616**	**273,309,089**	**96,991,585**
Current year	284,258,836	106,606,616	273,309,089	96,991,585
Adjustments for prior years	-	-	-	-
Deferred tax expense	**(11,891,494)**	**116,188,407**	**(7,959,209)**	**116,304,270**
Origination and reversal of temporary differences	(11,891,494)	116,188,407	(7,959,209)	116,304,270
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Total income tax expense	**272,367,342**	**222,795,023**	**265,349,880**	**213,295,855**

4.41.1 Reconciliation of tax expense and accounting profit

	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Profit before tax	923,765,679	1,778,689,630	895,249,343	1,752,257,345
Tax amount at tax rate of 30%	277,129,704	533,606,889	268,574,803	525,677,204
Add: Tax effect of expenses that are not deductible for tax purpose	44,186,398	25,617,164	38,993,298	23,203,504
Less: Tax effect on exempt income	(195,148)	(2,604,274)	(419,465)	(2,621,215)
Add/less: Tax effect on other items	(36,862,118)	(450,013,163)	(33,839,547)	(446,433,586)
Total income tax expense	**284,258,836**	**106,606,616**	**273,309,089**	**96,991,585**
Effective tax rate	**30.77%**	**5.99%**	**30.53%**	**5.70%**

Statement of Distributable Profit or Loss

For the year Ended 32 Ashadh 2075 (16th July 2018)

(As Per NRB Regulations)

Particulars	Bank	
	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss.	629,899,463	1,538,961,490
Appropriations:		
a. General reserve	(125,979,894)	(69,655,914)
b. Foreign exchange fluctuation fund	(3,088,357)	(3,105,364)
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(6,298,995)	(3,482,796)
e. Employees' training fund	-	(70,021)
f. Other	-	-
- Investment Adjustment Reserve	(1,168,238)	(68,222,755)
Profit or (loss) before regulatory adjustment	**493,363,980**	**1,394,424,647**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(444,927,078)	-
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(177,160,408)	-
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(15,855,297)	-
i. Other (+/-)	-	-
Distributable profit or (loss)	**(144,578,803)**	**1,394,424,647**

Note:
The distributable profit for the FY 2074-075 after the adjustment of the Proposed Bonus Share & Dividend is as exhibited below.

Particular	Current Year	Previous Year
Distributable Profit	(144,578,803)	1,394,424,647
Add:Opening balance in Retained Earnings.	1,214,186,383	282,540,460
Add: Capital Reserve	-	3,01,469
Add: Deferred Tax Reserve	-	11,650,440
Adjustment of Income Tax Liabilty of Prior Year	9,647	-
Adjustment of Share premium	36,390,992	4,666,891
Adjustment of Retained Earning from Merger	-	(334,652,150)
Less: Capital Adjustment Reserve	-	5,783,655
Less: Adjustment of Unpaid Proposed Bonus Share of FY 2073-074	744,079,312	132,013,625
Less: Adjustment of Unpaid Proposed Dividend of FY 2073-074	39,162,069	6,948,086
Less: Provision for the Investment	-	-
Total Distributable Profit for FY 2074-075	**322,766,838**	**1,214,186,383**

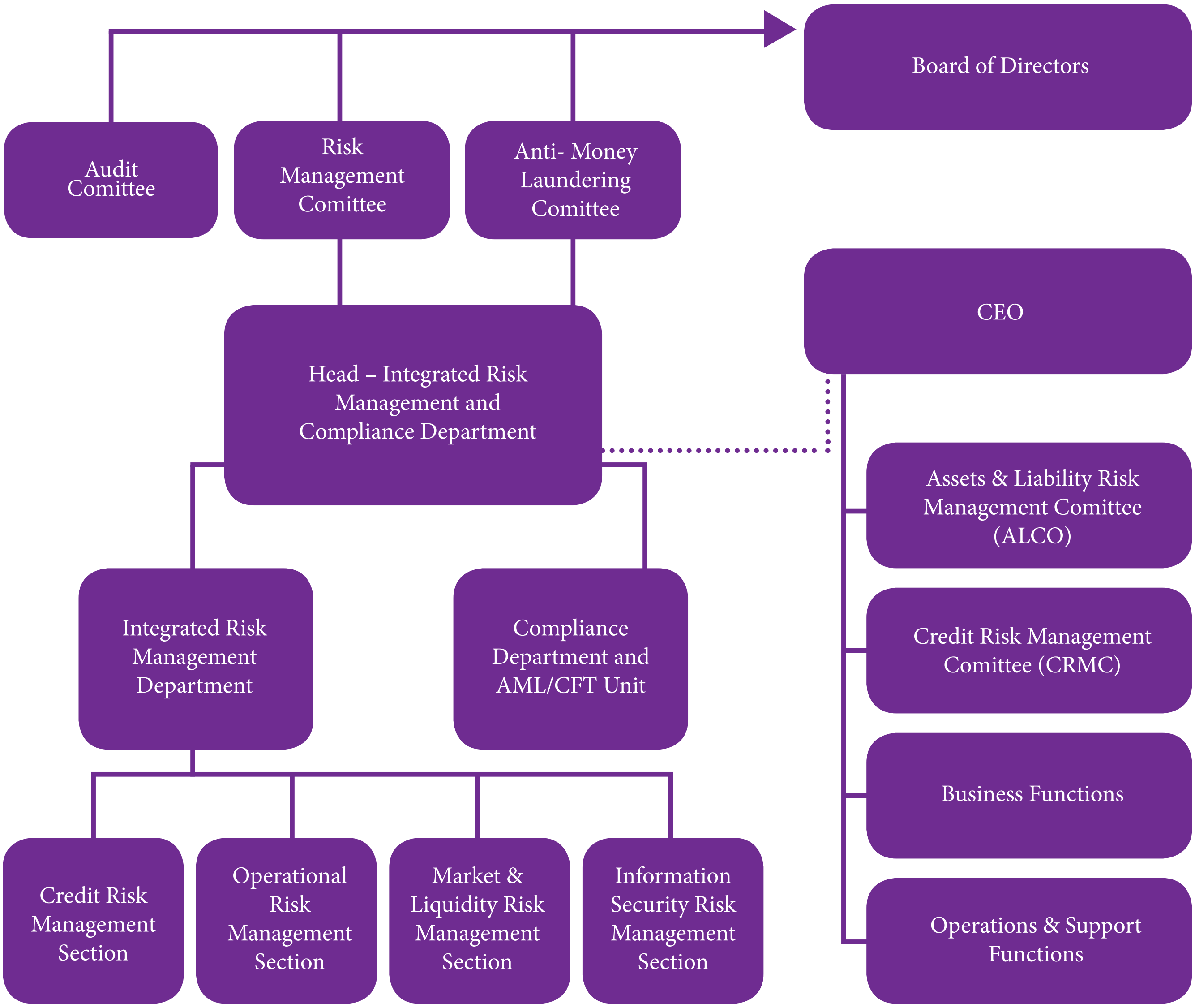
5 DISCLOSURES AND ADDITIONAL INFORMATION

5.1 Risk Management Function

The Bank strongly believes in creation of value through strong and robust risk management culture and the Board of Directors (the Board) has supreme role for that purpose. For sound risk management, the Board of the Bank sets overall risk management strategy in line with business strategy and sets various risk limits and appetite levels as applicable. Risk Management Committee (RMC) is a board level committee which continuously oversees and monitors risk management practices and issues of the Bank. There is also an effective senior management oversight which transforms the risk management policies into the organizational culture of the Bank.

For effective management of all type of risks a robust and independent risk management function namely Integrated Risk Management Department (IRMD) is in place which is led by the senior executive level staff of the Bank. IRMD reports directly to the RMC through Head- IRMD (with dotted line reporting to the CEO). The department acts as second line of defense in risk management framework and is purely independent of business and operations function of the Bank.

Following is the overall risk management framework of the Bank:



A. Management of Credit Risk

Credit risk management is an integrated effort of business function, credit support function and control function of the Bank. Credit related policies of the Bank including Credit Risk Management Framework, Credit Policy Guidelines, Product Papers and other guidelines, manuals act as guiding document for credit risk management.

Credit Risk Management Section of the IRMD is assigned with the responsibility of overall credit risk management. Credit risk management framework of the Bank aims at managing credit risk inherent in the entire portfolio maintained by the Bank as well as risks in individual credits or transactions with due consideration of the relationship between credit risk and other risks.

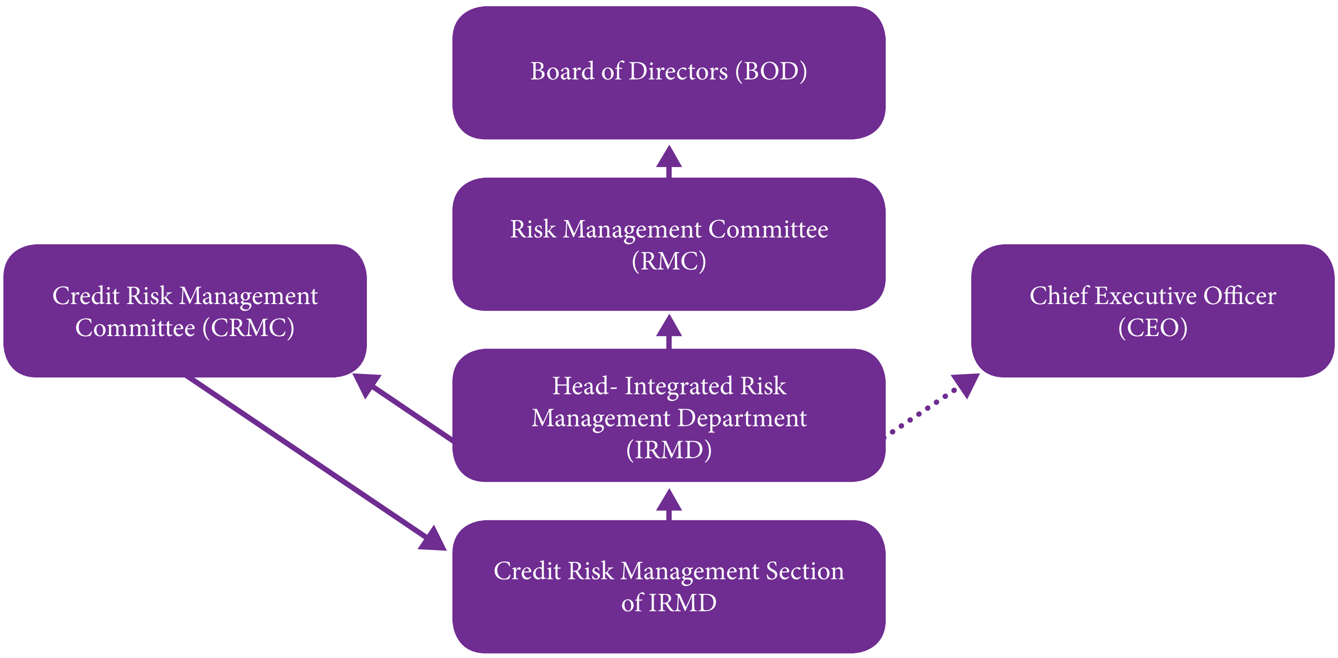
The Bank Approaches Credit Risk Management at following three levels:

- **Strategic/Policy Level:** Board and Board Level Committees and their risk management strategy/policy.
- **Procedural Level:** Credit procedures which provide a minimum standards and prudent framework for credit activities
- **Management/Functional Level:** Implementation of policies/procedures and credit risk management strategy. The Bank has a management level Credit Risk Management Committee (CRMC) which oversees and discusses credit risk management related issues at a regular interval.

The Bank has always recognized the essence of credit risk management and kept it higher in the priority list as it is one of the largest risks that the Bank is exposed to. The Bank has recently updated Credit Risk Management Framework incorporating emerging market issues, Basel Committee principles and international best practices. Similarly, Credit Risk Grading System of the Bank has also been updated and made more robust, implementable and helpful in decision making. Credit Risk Management Section regularly conducts review of portfolio and monitors slippage and deterioration of portfolio, portfolio at risk, yield analysis, etc. The section also regularly monitors risk tolerance level in credit portfolio and conducts post approval review of credit exposures on sample basis to oversee credit risk management at individual level.

In the credit risk management architecture of the Bank, business function acts as first line of defense as they are directly in contact with customers and they are the ones who own risk. The Bank has established a separate Credit Control Department which is a screening and gate keeping function in credit approval chain. Credit Administration Department, reporting to Chief Operating Officer, is responsible for documentation, disbursal and monitoring of credit facilities. Similarly, Recovery Department reporting to Chief Credit Officer is responsible for management of problem credits and stressed assets. Internal Audit acting as third line of defense conducts regular audit of entire credit framework as per its plan and reports to Audit Committee and to Board through Audit Committee.

Credit Risk Reporting structure of the Bank is as presented below:



B. Management of Market & Liquidity Risk

Market and liquidity Risk Management section oversees the issues relating to market and liquidity risks. The section also functions as the Treasury Middle Office. Assets and Liabilities Management Committee (ALCO) is the management level committee which regularly oversees and monitors market and liquidity risk related issues.

Treasury Front Office reports to Chief Business Officer and Treasury Back Office reports to Chief Operating Officer due to which there is clear demarcation and independence between these functions. Treasury Middle Office which is monitoring/control function reports independently to Head – IRMD.

For management of Interest Rate Risk there is regular analysis of maturity/re-pricing schedule and gap analysis, net interest income impact analysis and stress tests. Net open position is monitored daily and appropriate decision is taken for Foreign Exchange Risk Management. Similarly, equity price monitoring is done and its impact to the financial position of the Bank is assessed regularly.

For management of Liquidity Risk, there is continuous monitoring of ratios like CCD ratio, liquidity ratio. Further, liquidity gap analysis and liquidity stress tests including liquidity threshold tests are conducted regularly to assess unexpected risk events.

The reporting framework of market and liquidity risk management of the Bank is as mentioned below:

Classification of Assets and Liabilities based on Maturity (As per NRB Report) as on Ashad end 2075

Amount in Million

S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
	Assets						
1	Cash Balance	1,194	-	-	-	-	1,194
2	Balance with Banks & FIs	2,917	-	-	-	-	2,917
3	Investment in Foreign Banks	523	-	219	329	-	1,072
4	Call Money	-	-	-	-	-	-
5	Government Securities	20	238	142	51	4,963	5,414
6	Nepal Rastra Bank Bonds	-	-	-	-	-	-
7	Inter Bank & FI Lending	-	-	-	-	-	-
8	Loans & Advances	10,317	7,718	3,224	3,605	14,598	39,461
9	Interest Receivable	518	-	1	2	-	521
10	Reverse Repo	-	-	-	-	-	-
11	Receivables from other Institutions under Commitment	-	-	-	-	-	-
12	Payment to be made for facilities under s.no 20,21 & 22	-	-	-	-	-	-
13	Others	201	-	294	40	1,121	1,656
	Total Assets (A)	**15,690**	**7,955**	**3,880**	**4,027**	**20,682**	**52,234**
	Liabilities						
14	Current Deposits	1,071	214	214	214	428	2,142
15	Saving Deposits	8,165	963	-	-	10,102	19,230
16	Fixed Deposits	5,898	4,032	2,946	4,203	1,552	18,631
17	Debentures	-	-	-	-	-	-
18	Borrowings:	760	-	-	549	-	1,308
	(a) Call/Short Notice	-	-	-	-	-	-
	(b) Inter-bank/Financial Institutions	760	-	-	-	-	760
	(c) Refinance	-	-	-	549	-	549
	(d) Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	729	146	-	32	219	1,125
	(a) Sundry Creditors	-	32	-	32	-	64
	(b) Bills Payable	69	-	-	-	-	69
	(c) Interest Payable	16	-	-	-	-	16
	(d) Provisions	0	28	-	-	209	237
	(e) Others	643	86	-	-	10	739
20	Payable to other institutions under Commitment	614	35	-	-	-	648
21	Unutilized Approved Facilities	222	379	231	301	2	1,134
22	Letter of Credit/Guarantee (Net of Margin)	4,360	879	510	121	1,596	7,467
23	Repo	-	-	-	-	-	-
24	Payment to be made for facilities under S.No 11	-	-	-	-	-	-
25	Others	-	-	-	-	9,658	9,658
	Total Liabilities (B)	**21,818**	**6,647**	**3,900**	**5,420**	**23,558**	**61,345**
	Net Financial Assets (A-B)	**(6,128)**	**1,308**	**(20)**	**(1,393)**	**(2,877)**	**(9,110)**
	Cumulative Net Financial Assets	**(6,128)**	**(4820)**	**(4,841)**	**(6,234)**	**(9,110)**	-

C. Operational Risk Management

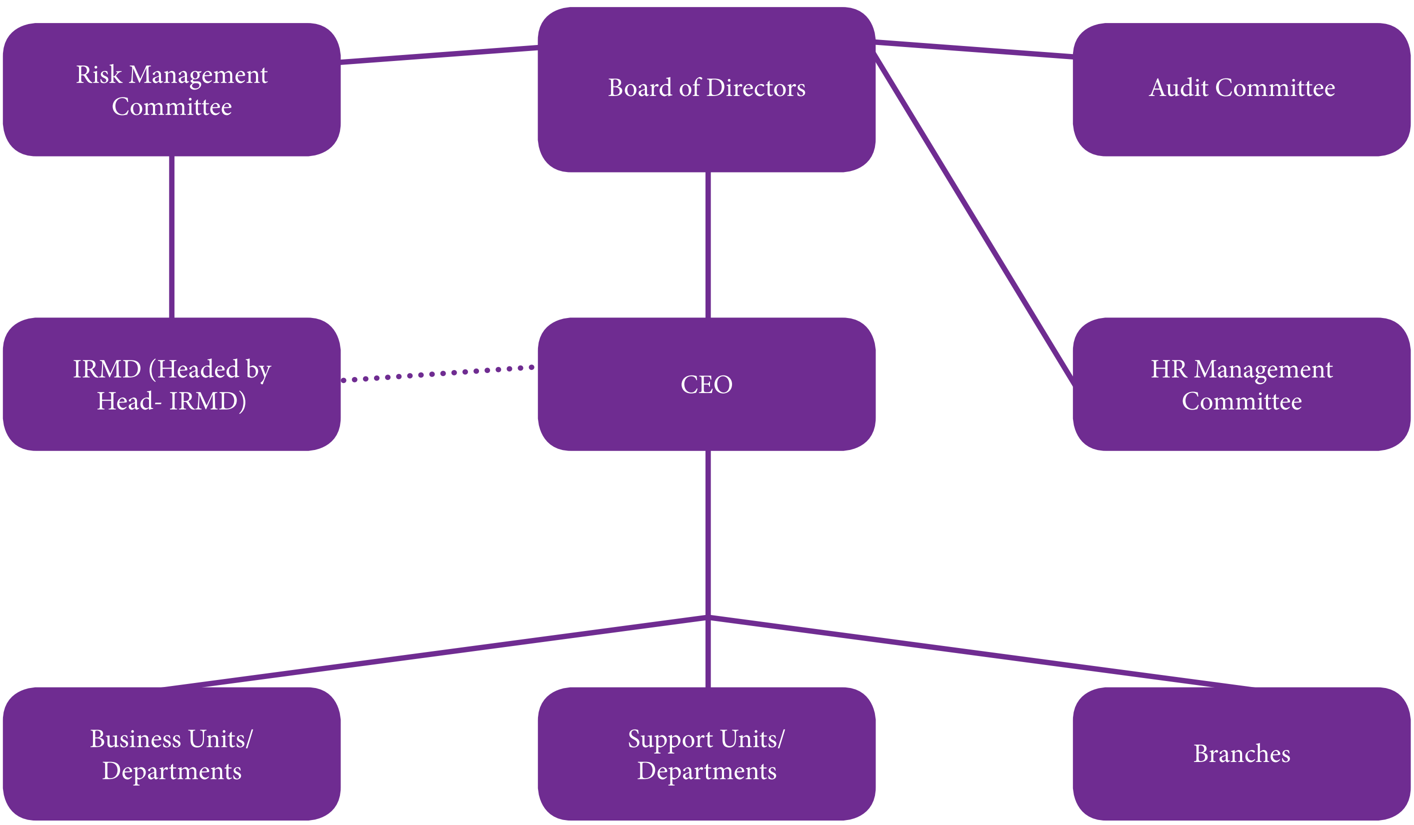
Risks resulting from inadequate or failed internal processes, people and systems or from external events, and including legal risk fall under the purview of operational risk. Operational Risk Management Section oversees the management of risks arising from operational issues. The section reports to Head-IRMD and works independent of operational functions of the Bank. As operational risk may sometimes causes huge and unprecedented negative impact on the performance, the Bank has given high level of priority in its management and monitoring.

All the operating functions of the Bank are guided by standard procedures or manuals and such procedures are reviewed by operational risk management section daily, monthly or in a regular interval as per necessity.

Human Resources Management is overseen by Human Resources Department and guided by Policies and Procedures approved by the Board and other appropriate authorities. Legal department is responsible for overseeing legal risk. The risks associated with these functions are regularly monitored by Operational Risk Management Section.

The Bank has approved Business Continuity Planning and Disaster Recovery Planning which are the guiding documents in case of business disruptions or system failure. Regular drills and trainings are conducted for proper implementation of these policies.

Following is the structure for management of operational risks:



D. Management of Information Security Risk

For Banks, as purveyor of money in physical form or in bits and bytes, reliable information is vital for its smooth operations as well as success and so is the risk area related to its security. Information Technology Department and Digital Banking Department oversee the operations and management of core banking system and other peripheral system of the Bank. Information Security Section under IRMD monitors and reviews the risks related to information technology. For this purpose the Bank has appointed Information Security Officer (ISO) who reports to Head – IRMD.

E. Management of Other Risks:

The Bank also recognizes the importance of managing other types of risks for example Reputational Risk, Strategic Risk; AML/CFT related risks and has also developed most of the related frameworks for managing such risks. AML/CFT risk is overseen by AML/CFT unit operating under Compliance Function of the Bank. The Compliance Function is guided by well-established AML and KYC related policies and procedures. Reputational risk is monitored by Operational Risk Management Section on a regular manner.

F. Major Emerging Risk Area:

The Bank is working continuously towards identifying, monitoring and measuring other emerging and developing risk areas and aims to internalize and integrate management of identified risks in overall organizational culture of the Bank. The Bank has identified following emerging risk areas, among others as a proactive approach in overall risk management.

i. Talent Risk

Banking industry is facing struggle in attracting, training and retaining talented personnel. The industry is also facing competition from other sectors. Additionally, average stay period of an employee at a particular bank is showing a decreasing trend. In such a situation, the Bank realizes that it has two choices - to develop strategies aimed at increasing retention at the organization or to develop strategies for changing its course of action towards achieving its long term objectives realizing the fact that high employee turnover is inevitable and its long term strategies need to be segregated into smaller parts that can be achieved within a short duration.

ii. Cyber Threat

As banking activities are moving continuously towards digitization, cyber threat is ever increasing. Data breaches at financial institutions are typically carried out by intruders for accomplishing variety of malicious objectives. Since technology is changing globally, banks are exposed to newer type of risks, which have to be addressed adequately. The rise in the threat level clearly requires a concerted response. The Bank is committed to continue reinforcing and safeguarding the security of the Information Systems.

iii. Aggressive Business Expansion

The country is witnessing aggressive expansion in banking business in the recent periods. The Bank recognizes that such business expansion and a high level of competition can lead to accumulation of systemic risks which might, in future, bring stressed business environment. The Bank has incorporated such uncertain scenario and build-up of systemic risks in its business strategy as well as risk strategy.

iv. Agility Risk

Banks may not be agile enough to adapt to rapid changes in internal as well as external environment. As the culture, system and practices of bank are deep-rooted since many years, it may be difficult to manage change in the bank in response to changing environment.

v. Risks from Social Media

Social media is an information source for many individuals. Any negative publicity of the Bank in social media may reach numerous users in different platforms. Hence, the Bank needs to be aware about its image being depicted in the digital platform as the implications of negative digital publicity are manifold.

5.1.1 Fair value of financial assets and liabilities

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of principal market, in the most advantageous market for asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair values are determined according to the following hierarchy:

Level 1 input

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Fair value through Profit or loss and Fair value through OCI investments have been recorded using Level 1 inputs.

Level 2 inputs

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs
Level 3 inputs are unobservable inputs for the asset or liability.

5.2 Capital management

a) Qualitative Disclosures

i. Objectives

The Bank actively manages its capital to meet regulatory norms and current and future business needs considering the risks in its businesses, expectation of rating agencies, shareholders and investors, and the available options of raising capital.

ii. Organizational Set-up

The capital management framework of the Bank is administered by the Finance Department and the Risk Management Department under the supervision of the Board and the Risk Committee

iii. Regulatory Capital

Nepal Rastra Bank has issued Basel III transaction arrangement for capital ratios with effect from Mid-July, 2016 (Shrawan 2073). Capital ratios and deduction from common equity will be fully phased-in and implemented as on mid July 2019. The phase in arrangement for banks is indicated in the following table:

Basel III in Nepal Transition Period Mid July		
	2018	2019
Minimum Common Equity Capital Ratio	4.50%	4.50%
Capital Conservation Buffer	2.00%	2.00%
Minimum common equity plus capital conservation buffer	6.50%	7.00%
Minimum Tier 1 Capital (Excluding conservation buffer)	6.00%	6.00%
Minimum Total Capital Excluding conservation buffer)	9.00%	8.50%
Minimum Total Capital (including conservation buffer)	11.00%	11.00%
Counter Cyclical Buffers	0-2.5%	0-2.5%
Leverage Ratio	Offsite Monitoring 4.00%	Migration to Pillar 1
Liquidity coverage ratio	LCR 100%	LCR 100%
Net stable funding ratio	Implemented	
SIFI Measures	NRB will issue Guidelines	

iv. Internal Assessment of Capital

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually which determines the adequate level of capitalization for the Bank to meet regulatory norms and current and future business needs, including under stress scenarios. The ICAAP is formulated at bank level and the consolidated group level. The ICAAP encompasses capital planning for a year time horizon, identification and measurement of material risks and the relationship between risk and capital. The element of ICAAP does internal assessment of capital as follows:

- **Board and senior management oversight**

The Board of Directors (Board) is responsible for setting the risk appetite of the bank, and ensuring that the bank's business remains within the desired limits. Management should understand the nature and level of various risks that the bank is confronting in the course of different business activities and how this risk relates to capital levels.

Bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the form and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position. The decisions made by the management are regularly reviewed by the BOD.

- **Sound capital assessment**

Crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment, the bank has the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control reviews and audits to ensure the integrity of the overall management process.

- **Comprehensive assessment of risks**

IRMD Head, along with his team, is responsible for overall risk management of the Bank which includes managing, assessing, identifying, monitoring and reducing pertinent global, macro and micro-economic level business risks that could interfere with Banks objective and goals and whether the Bank is in substantial compliance with its internal operating policies and other applicable regulations and procedures, external, legal, regulatory or contractual requirements on a continuous basis. Further, IRMD Head ensures integration of all major risk in capital assessment process.

- **Risk Management Committee (RMC)**

Board level risk management committee has been set up under NRB Directive for ensuring/reviewing bank's risk appetite is in line with the policies.

- **Monitoring**

Monitoring and reporting of all risks, including credit, operational and market risks are identified, escalated, monitored and mitigated to the satisfaction of the risk type owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

- **Internal Control Review**

The internal control structure of the Bank is essential for sound capital assessment process. Effective control of the capital assessment process includes an independent review and involvement of both internal as well as external audits wherever appropriate. The Bank is committed conduct the regular review of its risk management process to ensure its integrity, accuracy, and reasonableness. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, Management and Internal Audit.

The Internal Audit monitors compliance with policies and standards and the effectiveness of internal control structures across the Bank through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports regularly to the Audit Committee. The findings of all adverse audits are reported to the Chief Executive Officer and Business Heads for immediate corrective actions.

- **Assets and Liability Committee (ALCO)**

The ALCO, chaired by Chief Executive Officer, ensures functioning of the banking business in line with the set procedures and processes and recommends for necessary steps to address the risk associated with liquidity, movement in interest rate, exchange rate and equity price and other risks.

- **Stress and Scenario Testing**
  Description of method

Stress Test is done as per Stress Testing Guidelines issued by the Nepal Rastra Bank as well as internally assessed stress levels on a quarterly basis. Credit Risk Stress, Market Risk Stress, and Liquidity Risk Stress are assessed for different scenario are assessed calibrating the results of the test to the capital adequacy ratio (CAR), non-performing loans (NPL) and other factor related to each risk driver of the bank.

Stress and Scenario Analysis:

Stress test has been conducted for the categories - Credit Shock, Interest Rate Shock, Exchange Rate Shock, Equity Price Shock and Liquidity Shock.

Stress test aims to assess bank's capital adequacy ratio (CAR), level of nonperforming loan (NPL) and liquidity ratio under different scenarios and bank's maximum level of tolerance capacity under each category.

a. Credit shock is assessed mainly under following scenarios:
i. Downgrading overall loan exposures
ii. Default in real estate exposures
iii. Default by bank's top exposures

b. Market shock is assessed mainly under following scenarios:
i. Changes in Interest Rate of Deposit & Loan
ii. Exchange Rate Depreciation & Appreciation
iii. Fall in Equity Prices

c. Liquidity Shock is assessed mainly under following Scenarios:
i. Withdraw of Deposit by Top Depositors
ii. Withdraw of Deposit by Certain percentage of Total exposure

b) Quantitative Disclosures

1. Summary of Bank's internal approach to assess Capital Adequacy to support current and future activities:
The Bank has planned the business volume so as to maintain the Capital Adequacy Ratio (CAR) well above minimum required.

The Bank regularly assesses the Capital Adequacy Ratio as per the Internal Capital Adequacy Assessment Process (ICAAP) approved by the BOD. The Risk Management Committee, formed as per directives of Nepal Rastra Bank, also assesses the maximum risk appetite of the Bank to maintain adequate CAR.

2. Summary of the terms, conditions and main features of all capital instruments, especially in the case of Subordinated Term Debts including hybrid capital instruments
There are no subordinated term debts and hybrid capital instruments as of Ashadh end 2075.

3. BASEL Disclosure

CAPITAL ADEQUACY TABLE (Summary)
As on 32nd Ashadh 2075 (16th July 2018)

1.1	Particulars	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Common Equity Tier 1 Capital	9,009,891,772	6,430,737,834
b	Tier 1 Capital	9,009,891,772	6,430,737,834
c	Tier 2 Capital	400,369,293	346,951,000
d	Total Capital	9,410,261,065	6,777,688,834
e	Risk Weighted Exposures	46,317,843,255	36,021,042,781
	Regulatory Ratios		
a	Leverage Ratio (Regulatory Requirement >= 4%)	14.48%	13.24%
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	19.45%	17.85%
c	Tier 1 to Risk Weighted Exposure Ratios	19.45%	17.85%
d	Total Capital to Risk Weighted Exposure Ratio	20.32%	18.82%

CAPITAL ADEQUACY TABLE
As on 32nd Ashadh 2075 (16th July 2018)

1.1	RISK WEIGHTED EXPOSURE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Risk Weighted Exposure for Credit Risk	41,984,430,971	31,778,938,560
b	Risk Weighted Exposure for Operational Risk	2,361,947,600	2,013,994,097
c	Risk Weighted Exposure for Market Risk	89,056,470	47,945,907
	Adjustments under Pillar II		
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	13,744,649	9,948,606
	Add .....% of the total deposit due to insufficient Liquid Assets	-	-
	Add RWE equivalent to reciprocal of capital charge of 5 % of gross income.	91,246,163	816,580,467
	Overall risk management policies and procedures are not satisfactory. Add 4% of RWE	1,777,417,402	1,353,635,143
	If desired level of disclosure requirement has not been achieved, Add .....% of RWE		
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**46,317,843,255**	**36,021,042,781**

1.2	CAPITAL	CURRENT YEAR NPR	PREVIOUS YEAR NPR
	Tier 1 Capital (Core Capital) (CET 1 + AT1)	**9,009,891,772**	**6,430,737,834**
	Common Equity Tier 1 (CET 1)	**9,009,891,772**	**6,430,737,834**
a	Paid up Equity Share Capital	7,259,310,362	5,185,221,687
b	Equity Share Premium	36,390,992	-
c	Proposed Bonus Equity Shares		744,079,312
d	Statutory General Reserves	729,651,351	603,671,457
e	Retained Earnings	1,069,617,233	5,185,665
f	Un-audited current year cumulative profit	-	-
g	Capital Redemption Reserve	-	-
h	Capital Adjustment Reserve	35,536,834	35,536,834
i	Dividend Equalization Reserves	-	-
j	Bargain Purchase Gain	-	-
k	Other Free Reserve		-
l	Less: Goodwill	-	-
m	Less: Intangible Assets	-	-
n	Less: Deferred Tax Assets	-	(22,341,886)
o	Less: Fictitious Assets	-	-
p	Less: Investment in equity in licensed Financial Institutions	-	-
q	Less: Investment in equity of institutions with financial interests	(120,615,000)	(120,615,000)
r	Less: Investment in equity of institutions in excess of limits	-	-
s	Less: Investments arising out of underwriting commitments	-	-
t	Less: Reciprocal crossholdings	-	-
u	Less: Purchase of land & building in excess of limit and unutilized	-	-
v	Less: Cash Flow Hedge	-	-
w	Less: Defined Benefit Pension Assets	-	-
x	Less: Unrecognized Defined Benefit Pension Laibilities	-	-
y	Less: Negative Balance of Reserve Accounts	-	-

z	Less: Other Deductions	-	-
	Adjustments under Pillar II	-	-
a	Less: Shortfall in Provision (6.4 a 1)	-	-
b	Less: Loans & Facilities extended to Related Parties & Restricted lending (6.4 a 2)	-	-
	Additional Tier 1 (AT1)	-	-
a	Perpetual Non Cumulative Preference Share Capital	-	-
b	Perpetual Debt Instruments	-	-
c	Stock Premium	-	-
	Supplementary Capital (Tier 2)	**400,369,293**	**346,951,000**
a	Cumulative and/or Redeemable Preference Share		-
b	Subordinated Term Debt		-
c	Hybrid Capital Instruments		-
d	Stock Premium		-
e	General loan loss provision	384,206,318	333,876,000
f	Exchange Equalization Reserve	16,162,975	13,075,000
g	Investment Adjustment Reserve	-	-
h	Assets Revaluation Reserve		-
i	Other Reserves	-	-
	TOTAL CAPITAL FUND (Tier 1 & Tier 2)	**9,410,261,065**	**6,777,688,834**
1.3	**CAPITAL ADEQUACY RATIOS**	**CURRENT YEAR**	**PREVIOUS YEAR**
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	19.45%	17.85%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	20.32%	18.82%

RISK WEIGHTED EXPOSURE FOR CREDIT RISK
As on 32nd Ashadh 2075 (16th July 2018)

A. BALANCE SHEET EXPOSURE	CURRENT YEAR						PREVIOUS YEAR	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION & VALUATION ADJUSTMENTS (B)	ELIGIBLE CRM(C)	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	Net Value	Risk Weighted Exposures
Cash Balance	1,193,699,205	-	-	1,193,699,205	0%	-	841,961,637	-
Balance With Nepal Rastra Bank	2,186,915,790	-	-	2,186,915,790	0%	-	3,004,166,805	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	5,416,996,314	-	-	5,416,996,314	0%	-	5,128,045,427	-
All Claims on Government of Nepal	39,170,107	167,337	-	39,002,770	0%	-	16,737,946	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	-	-
All claims on Nepal Rastra Bank	150,705,669	-	-	150,705,669	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-	-	-
Claims on Foreign Government and Central Bank(ECA -3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government and Central Bank(ECA-4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government and Central Bank(ECA -7)	-	-	-	-	150%	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	526,641,000	5,266,410	-	521,374,590	100%	521,374,590	560,262,937	560,262,937
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	1,913,515,664	16,742,010	-	1,896,773,654	20%	379,354,731	1,160,174,238	232,034,848
Claims on domestic banks that do not meet capital adequacy requirements	2,788,450	2,788,450	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 0-1)	770,054,334	-	-	770,054,334	20%	154,010,867	601,010,784	120,202,157
Claims on foreign bank (ECA Rating 2)	201,630,137	-	-	201,630,137	50%	100,815,068	353,721,133	176,860,567
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	588,149,641	-	-	588,149,641	20%	117,629,928	519,491,634	103,898,327
Claims on Domestic Corporates	23,229,542,104	281,831,967	-	22,947,710,138	100%	22,947,710,138	16,626,379,493	16,626,379,493
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreign Corporates (ECA-2)	-	-	-	-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	7,904,725,798	86,437,507	-	7,818,288,291	75%	5,863,716,218	7,255,427,576	5,441,570,682
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	2,019,408,981	25,618,740	-	1,993,790,241	60%	1,196,274,144	1,600,799,795	960,479,877
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	110,388,307	15,149,803	-	95,238,504	100%	95,238,504	5,192,918	5,192,918
Claims secured by Commercial real estate	726,924,714	7,269,247	-	719,655,467	100%	719,655,467	493,330,313	493,330,313
Past due claims (except for claim secured by residential properties)	1,877,857,115	775,817,706	-	1,102,039,409	150%	1,653,059,114	951,843,950	1,427,765,924
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	2,585,759,948	29,458,697	404,322,145	2,151,979,107	150%	3,227,968,660	1,047,673,419	1,571,510,128
Investments in equity and other capital instruments of institutions listed in the stock exchange	108,747,052	-	-	108,747,052	100%	108,747,052	91,588,114	91,588,114
Investments in equity and other capital instruments of institutions not listed in the stock exchange	77,870,300	-	-	77,870,300	150%	116,805,450	74,870,300	112,305,450
Staff Loan secured by residential property	243,149,000	-	-	243,149,000	60%	145,889,400	130,950,000	78,570,000
Interest receivable/claim on government securities	45,004,228	-	-	45,004,228	0%	-	43,060,071	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-
Other Assets	1,716,645,935	925,855,329	-	790,790,605	100%	790,790,605	965,556,026	965,556,026
TOTAL	53,636,289,794	2,172,403,203	404,322,145	51,059,564,446		38,139,039,936	41,472,244,516	28,967,508,761

B. OFF BALANCE SHEET EXPOSURE	CURRENT YEAR						PREVIOUS YEAR	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM (C)	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	Net Value	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills Under Collection	10,802,230	-	-	10,802,230	0%	-	62,425,403.04	-
Forward Exchange Contract Liabilities	1,546,537,369	-	-	1,546,537,369	10%	154,653,737	56,155,650.00	5,615,565
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	3,670,913,599	-	146,914,892	3,523,998,707	20%	704,799,741	2,174,626,124	434,925,225
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating- 2)	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	1,191,414,743	-	37,912,500	1,153,502,243	50%	576,751,122	317,099,628	158,549,814
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	1,940,082,839	-	180,566,434	1,759,516,406	50%	879,758,203	1,622,974,388	811,487,194
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	82,021,899	41,010,949
Foreign counterparty (ECA Rating 3-6)	330,981,364	-	-	330,981,364	100%	330,981,364	327,643,685	327,643,685
Foreign counterparty (ECA Rating -7)	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	333,305,048	-	41,987,390	291,317,657	100%	291,317,657	394,574,306	394,574,306
Financial Guarantee	-	-	-	-	100%	-	-	-
Acceptances and Endorsements	648,409,361	-	44,014,157	604,395,204	100%	604,395,204	395,422,283	395,422,283
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-	-
Irrevocable Credit commitments (Short term)	1,132,589,229	-	-	1,132,589,229	20%	226,517,846	849,652,173	169,930,435
Irrevocable Credit commitments (long term)	1,820,409	-	-	1,820,409	50%	910,204	27,290	13,645
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-
Other Contingent Liabilities	75,305,957	-	-	75,305,957	100%	75,305,957	72,256,699	72,256,699
Unpaid Guarantee Claims	-	-	-	-	200%	-	-	-
TOTAL	**10,882,162,148**	**-**	**451,395,374**	**10,430,766,774**		**3,845,391,035**	**6,354,879,528**	**2,811,429,800**
Total RWE for credit Risk (A) +(B)	**64,518,451,942**	**2,172,403,203**	**855,717,518**	**61,490,331,220**		**41,984,430,971**	**47,827,124,043**	**31,778,938,560**
Adjustments under Pillar II								
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-	-	-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-	-	-	-	-
Total RWE for credit Risk (After Bank's adjustments of Pillar II)	**64,518,451,942**	**2,172,403,203**	**855,717,518**	**61,490,331,220**		**41,984,430,971**	**47,827,124,043**	**31,778,938,560**

ELIGIBLE CREDIT RISK MITIGANTS
As on 32nd Ashadh 2075 (16th July 2018)

CREDIT EXPOSURES	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOVT.& NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF MDBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Cash Balance	-	-	-	-	-	-	-	-	-	-
Balance with Nepal Rastra Bank	-	-	-	-	-	-	-	-	-	-
Gold	-	-	-	-	-	-	-	-	-	-
Investment in Nepalese Government Securities	-	-	-	-	-	-	-	-	-	-
All Claims on Government of Nepal	-	-	-	-	-	-	-	-	-	-
Investment in Nepal Rastra Bank securities	-	-	-	-	-	-	-	-	-	-
All claims on Nepal Rastra Bank	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA -7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial real estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claim secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	144,941,900	-	259,380,245	-	-	-	-	-	-	404,322,145
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total (A)	**144,941,900**	**-**	**259,380,245**	**-**	**-**	**-**	**-**	**-**	**-**	**404,322,145**

Off Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	146,914,892	-	-	-	-	-	-	-	-	146,914,892
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating-2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	37,912,500	-	-	-	-	-	-	-	-	37,912,500
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating -7)	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	180,566,434	-	-	-	-	-	-	-	-	180,566,434
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating -2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	41,987,390	-	-	-	-	-	-	-	-	41,987,390
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	44,014,157	-	-	-	-	-	-	-	-	44,014,157
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (Short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Total (B)	**451,395,374**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**451,395,374**
Grand Total (C=A+B)	**596,337,274**	**-**	**259,380,245**	**-**	**-**	**-**	**-**	**-**	**-**	**855,717,518**

RISK WEIGHTED EXPOSURE for OPERATION RISK

As on 32nd Ashadh 2075 (16th July 2018)

PARTICULARS	2072/073	2073/074	2074/075	FOR PREVIOUS YEAR
Net Interest Income	994,860,639	1,122,837,953	1,374,464,947	1,122,837,953
Commission and Discount Income	67,976,408	87,072,068	96,866,716	87,072,068
Other Operating Income	87,196,873	114,854,747	170,410,255	114,854,747
Exchange Fluctuation Income	89,962,356	99,107,064	168,932,427	99,107,064
Additional/Deduction in Interest Suspense during the period	25,815,709	209,289,102	14,248,920	209,289,102
Gross income (a)	**1,265,811,985**	**1,633,159,934**	**1,824,923,264**	**1,633,160,934**
Alfa (b)	**15%**	**15%**	**15%**	**15%**
Fixed Percentage of Gross Income [c=(a×b)]	**189,871,798**	**244,973,991**	**273,738,490**	**244,974,141**
Capital Requirement for operational risk (d) (average of c)	-	-	**236,194,760**	**201,399,410**
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	-	-	**10**	**10**
Equivalent Risk Weight Exposure [f=(d×e)]	-	-	**2,361,947,600**	**2,013,994,097**
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative(6.4 a 8)	-	-	-	-
Total Credit and Investment (net of Specific Provision)	-	-	-	-
Capital Requirement for operational risk (5%)	-	-	-	-
Risk Weight (reciprocal of capital requirement of 10%) in times	-	-	-	-
Equivalent Risk Weight Exposure [g]	-	-	-	-
Equivalent Risk Weight Exposure [h=f+g)]	-	-	**2,361,947,600**	**2,013,994,097**

RISK WEIGHTED EXPOSURE FOR MARKET RISK
As on 32nd Ashadh 2075 (16th July 2018)

CURRENCY	ASHADH END 2075				Previous Year
	Open Position (FCY)	Rate	Open Position (LCY)	Relevant Open Position	Relevant Open Position
INR	79,483,832.65	1.60075	127,233,745	127,233,745	88,989,157
USD	(327,788.83)	109.70000	(35,958,435)	35,958,435	299,474
GBP	15,665.51	145.22310	2,274,994	2,274,994	1,702,011
EUR	38,797.95	128.15380	4,972,105	4,972,105	2,334,025
THB	87,500.00	3.34620	292,793	292,793	1,854
CHF	5,739.99	109.82925	630,419	630,419	373,826
AUD	795.00	81.52545	64,813	64,813	293,651
CAD	8,365.00	83.47900	698,302	698,302	847,080
SGD	210.00	80.39765	16,884	16,884	375
JPY	5,143,175.00	0.97930	5,036,711	5,036,711	635,793
HKD	8,860.00	13.85630	122,767	122,767	20,684
DKK	-	17.21525	-	-	-
SEK	-	12.41185	-	-	-
SAR	14,799.00	28.71115	424,896	424,896	206,840
QAR	2,010.00	30.13780	60,577	60,577	1,411
AED	5,365.00	29.68860	159,279	159,279	64,486
MYR	4,208.00	27.12490	114,142	114,142	88,619
KRW	-	0.09730	-	-	-
CNY	2,180.00	16.40365	35,760	35,760	11,077
KWD	45.00	362.56825	16,316	16,316	21,453
BHD	-	289.90470	-	-	-
Total Open position (a)				**178,112,936**	**95,891,815**
Fixed Percentage (b)				**5%**	**5%**
Capital Charge for Market Risk [c=(axb)]				**8,905,647**	**4,794,591**
Risk weight (reciprocal of capital requirement of 10%) in times (d)				**10**	**10**
Equivalent Risk Weight Exposure[e=(cxd)]				**89,056,470**	**47,945,910**

Form No.5 Other Assets
As on 32nd Ashadh 2075 (16th July 2018)

S No.	Assets	Current Year (NPR)			Previous Year (NPR)
		Gross Amount	Specific Provision & Valuation Adjustments	Net Balance	Net Balance
1	Cash and Cash Items in Transit	-	-	-	-
2	Expense not Written off	-	-	-	-
3	Fixed Assets	754,723,558	458,247,544	296,476,014	279,164,373
4	Interest Receivable on Other Investment	5,222,177	-	5,222,177	5,719,494
5	Interest Receivable on Loan	520,777,901	467,607,786	53,170,116	41,243,754
6	Non Banking Assets	177,160,409	-	177,160,409	-
7	Reconciliation Account	-	-	-	-
8	Draft Paid Without Notice	-	-	-	-
9	Sundry Debtors	68,734,325	-	68,734,325	56,958,922
10	Advance payment and Deposits	32,053,024	-	32,053,024	59,104,497
11	Staff Advance	94,582,192	-	94,582,192	88,514,139
12	Stationery	-	-	-	6,061,638
13	Advance tax Deposit	31,006,628	-	31,006,628	-
14	Other	32,385,719	-	32,385,719	428,789,210
TOTAL		**1,716,645,935**	**925,855,329**	**790,790,605**	**965,556,026**

5.3 Classification of financial assets and financial liabilities

NAS 39 requires financial assets to be classified in one of the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through OCI
- Financial assets at amortized cost

Financial assets at fair value through profit or loss have two sub-categories:

- Financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- Held for trading

NAS 39 recognizes two classes of financial liabilities:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized cost using the effective interest rate method

The category of financial liability at fair value through profit or loss has two sub-categories:

- Financial liability that is designated by the entity as a liability at fair value through profit or loss upon initial recognition
- Held for trading

The classification of financial assets or liabilities is given in detail in Note 3.4 above.

5.4 Operating Segment Information

5.4.1 General Information

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

Not every part of an entity is necessarily an operating segment or part of an operating segment. For example, a corporate office or some functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the Bank and would not be operating segments. For the purposes of this NFRS, the Bank's post-employment benefit plans are not operating segments.

5.4.2 Information about profit or loss, assets and liabilities

Amount in NPR

Particulars	Province 1	Province 2	Province 3	Gandaki Province	Province 5	Other	Total
Interest Income	206,408,584	176,233,876	3,577,163,381	180,831,368	264,738,246	36,482,757	4,441,858,214
Interest Expense	105,740,282	48,352,551	2,632,654,461	91,687,641	139,720,824	15,305,136	3,033,460,895
Net Interest Income	**100,668,303**	**127,881,325**	**944,508,920**	**89,143,728**	**125,017,423**	**21,177,621**	**1,408,397,319**
Fee and Commission Income	18,482,085	15,676,775	175,081,072	9,511,898	20,487,687	3,098,508	242,338,025
Fee and Commission Expense	-	-	23,098,536	-	-	-	23,098,536
Net Fee and Commission Income	**18,482,085**	**15,676,775**	**151,982,536**	**9,511,898**	**20,487,687**	**3,098,508**	**219,239,489**
Net Interest, Fee and Commission Income	**119,150,388**	**143,558,100**	**1,096,491,456**	**98,655,625**	**145,505,109**	**24,276,129**	**1,627,636,808**

Net Trading Income	16,179,523	18,216,098	120,631,407	357,228	1,047,534	147,209	156,578,999
Other Operating Income	308,073	165,403	42,110,343	124,191	385,320	60,277	43,153,607
Total Operating Income	**135,637,984**	**161,939,601**	**1,259,233,206**	**99,137,044**	**146,937,963**	**24,483,615**	**1,827,369,414**
Impairment Charge/ (Reversal) for Loans and Other Losses	20,760,375	26,489,341	(213,011,180)	7,169,503	15,093,404	17,667,095	(125,831,461)
Net Operating Income	**114,877,608**	**135,450,260**	**1,472,244,387**	**91,967,541**	**131,844,559**	**6,816,520**	**1,953,200,875**
Operating Expense							
Personnel Expenses	69,893,229	29,746,578	332,954,062	42,750,944	61,413,116	21,655,304	558,413,233
Other Operating Expenses	31,938,207	11,475,279	241,814,369	22,005,935	33,339,246	10,980,185	351,553,222
Depreciation & Amortization	5,791,743	2,127,688	39,223,933	3,646,052	6,455,510	2,365,575	59,610,502
Operating Profit	**7,254,429**	**92,100,714**	**858,252,022**	**23,564,609**	**30,636,687**	**(28,184,544)**	**983,623,918**
Non-Operating Income	301,537	40,956,340	(2,201,377)	905,570	2,127,968	-	42,090,038
Non-Operating Expense	934,661	126,950,541	(6,823,510)	2,806,954	6,595,967	-	130,464,613
Profit Before Income Tax	**6,621,306**	**6,106,514**	**862,874,156**	**21,663,225**	**26,168,687**	**(28,184,544)**	**895,249,343**
Income Tax Expense	-	-	-	-	-	-	265,349,880
Profit for the Period	**6,621,306**	**6,106,514**	**862,874,156**	**21,663,225**	**26,168,687**	**(28,184,544)**	**629,899,463**

5.4.3 Measurement of operating segment profit or loss, assets and liabilities

The bank has identified the key segments of business on the basis of nature of operations that assists the Executive Committee of the bank in decision making process and to allocate the resources. It will help the management to assess the performance of the business segments. The Segment has been identified on the basis of geographic location of the branches.

Income, Expenses, Assets, Liabilities of Head office has been apportioned to various Segments on proportionate basis.

5.4.4 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

(a) Revenue

Amount in NPR

Total revenues for reportable segments	5,051,850,344
Other revenues	-
Elimination of intersegment revenues	-
Banks net revenue from reportable segments	**5,051,850,344**

(b) Profit or Loss

Amount in NPR

Total profit or loss for reportable segments	895,249,343
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	-
Other operating expenses	-
Profit before tax	**895,249,343**

(c) Assets

Amount in NPR

Total asset for reportable segments	51,925,229,217
Other assets	-
Unallocated amounts	-
Entity's assets	**51,925,229,217**

(d) Liabilities

Amount in NPR

Total liabilities for reportable segments	51,925,229,217
Other Liabilities	-
Unallocated liabilities	-
Entity's liabilities	**51,925,229,217**

5.4.6 Information about geographical areas

Revenue from following geographical areas is as follows:

Amount in NPR

Domestic	Revenue
Province 1	217,033,636
Province 2	219,920,161
Province 3	4,141,982,722
Gandaki Province	183,209,499
Province 5	270,783,861
Karnali Province	10,229,168
Sudur Paschim Province	8,691,297
Total	**5,051,850,344**

5.4.7 Information about Major Customer

If revenues from transactions with a single external customer amount to 10 percent or more of the banks revenues, the bank shall disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The banks revenue from single customer doesn't exceed 10% of total revenue.

5.5 Share options and share based payment

A share-based payment is a transaction in which the bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The bank does not have any share option and share based payment.

5.6 Contingent liabilities and commitment

5.6.1 Contingent Liabilities:

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Bank's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

5.6.2 Commitments:

Where the Bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Bank has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 16 July 2018.

5.6.3 Litigations:

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Bank and the Group are involved in various such legal actions and the controls have been established to deal with such legal claims. There are pending litigations existing as at the end of the reporting period against the Large Taxpayers Office, resulting through normal business operations.
The details of litigations are presented in 4.28.5.

5.7 Related parties disclosures

(a) Board Member Allowances and Facilities

The Board of Directors has been paid meeting fees of NPR 924,000 during the fiscal year. There were 29 Board Meeting conducted during the fiscal year.

The Chairperson and other members of the Board are paid NPR 10,000 and NPR 8,000 per meeting respectively for Board and Board Level Committees.

Meeting fees paid to four Board Level Committees are as follows:

Board Level Committees	No of Meetings	Meeting Allowance (NPR)
Audit Committee	11	160,000
Risk Management Committee	8	128,000
Human Resource Management Committee	4	48,000
AML Committee	2	32,000

Existing members of the Board are:

Er. Mr. Ichchha Raj Tamang	Chairman
Mr. Ambir Bogati	Member
Mr. Prakash Tayal	Member
Mr. Ghanendra Bahadur Shrestha	Member
Mr. Sangam K.C.	Member
Mr. Bhimananda Dhungana	Independent Director

(b) Loans and Advances extended to Promoter

The Bank has not provided any Loans and Advances to Promoters.

(c) Compensation Details for Key Management Personnel

Key Management Personnel includes members of Executive Committee of the Bank.

S. No	Particulars	Amount
A	Short Term Employee Benefits	108,336,295.67
B	Post-Employment Benefits	5,285,606.79
C	Other Long Term Benefits	
D	Termination Benefits (Gratuity and Sick Leave Encashment)	5,697,237.58
E	Share Based Payment	-
	Total of Key Management Personnel Compensation	**119,319,140.04**

The Salary and benefits paid to CEO is as follow:

Particulars	Basic Salary	Provident Fund	Allowance	Bonus & Welfare	Other Perquisites	Total Income
Govinda Gurung (Current CEO)	6,504,023	650,402	4,000,047	1,736,916	1,586,089	14,477,479
Kishore Maharjan (former CEO)	315,000	31,500	135,000	3,000,881	-	3,482,381
Total	6,819,023	681,902	4,135,047	4,737,797	1,586,089	17,959,859

Key management personnel are also provided with the following benefits:

i) Benefits as per the Employee Terms of Service By-laws,
ii) Bonus to staff as per the Bonus Act,
iii) Vehicle Fuel Expenses as per the Bank's Staff Vehicle Scheme.

Executive Management includes:

Name	Designation
Govinda Gurung	CEO
Sujit Kumar Shakya	CBO
Sachin Jung Rayamajhi	CCO
Bhesh Raj Khatiwada	COO

(d) Transaction with Subsidiaries

Amount in '000s

S No	Particulars	Civil Capital	CIVIL Laghubitta
1	Investment by CIVIL Bank Ltd.	69,615	51,000
2	Deposits in CIVIL Bank Ltd.	31,781	52,044
3	Borrowing from CIVIL Bank Ltd.	-	300,000
4	Interest Payment by CIVIL Bank Ltd.	1,872	11
5	Interest Payment to CIVIL Bank Ltd.	-	9,288
6	Rent Payment to CIVIL Bank Ltd.	-	-
7	Management Fee Payment to CIVIL Bank	-	-
8	Share Registrar Fee payment by CIVIL Bank	1,248	

5.8 Other Disclosures

a) Loans and Advances

Loans and advances measured at amortized cost under the NFRS are inclusive of Loans to BFI's, Loans to customer and Staff Loans & advances provided according to the Employee Bylaws of the bank is presented under this head. Accrued Interest Receivable on loans has been considered under Loans and Advances measured at Amortized Cost. Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. Higher of the loss as per incurred loss model and NRB directive is considered for impairment.

b) Staff Loans measured at fair value

Under previous NAS, staff loans were recorded at cost less repayments net of loan loss provision, if any. Under NFRS, the Bank has to measure the staff loans granted below the market interest rate at their fair value, based on the market interest rate of similar products.

The fair value of such loans as at Ashadh 31 2075 (16th July 2018) the fair value of staff loan was NPR 173,742,680 and their previous NAS carrying amount was 333,432,509. The difference between the fair value and NAS carrying amount was NPR 159,689,829 has been netted off against staff loans & recognized as pre-paid staff cost in other assets.

On transition date Shrawan 1, 2073 the fair value of staff loan was NPR 126,075,499 and their previous NAS carrying amount was 166,467,092. The difference between the fair value and NAS carrying amount of 40,391,592.67 has been netted off from staff loans & recognized as pre-paid staff cost in other assets.

c) Adjustment on loan impairment

In compliance with the NRB Directives and subsequent amendment there to, specific loan loss provision was made based on the arrears time period and General provision were made at a specified rate directed by NRB time to time. Thus, total provision under Pass Loan as per NRB Directive No. 2 is categorized as Collective Impairment and remaining are categorized as Individual Impairment.

Loan loss provision amounting to NPR 1,043,492,385 was recognized as per NAS 39 as on Shrawan 1, 2073 which was increased to NPR 1,369,590,883 as at Ashadh 31st 2074.

As at Ashadh 32, 2075 the impairment provision was decreased to NPR 1,243,759,424. The movement between the impairment balances of respective years was recognized in the statement of profit or loss as an impairment charge on loan and advances to customer and BFIs.

Impairment calculations are presented hereunder;

Amount in NPR

Particulars	As at 32 Ashadh 2075	As at 31 Ashadh 2074
Total Impairment as per NFRS	687,403,143	868,396,810
Loan loss provision as per NRB directive	1,243,759,424	1,369,590,883
Loan loss provision as per ICAN Carve-out No. 5	1,243,759,424	1,369,590,883

The bank has opted to apply carve-out on impairment of loans and advance. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no.2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

d) Financial assets at Fair value through OCI

Under previous NAS, the Bank recognized its investment portfolios which are not held for trading activities at their cost. Under NFRS, the Bank has designated such investments as Fair value through OCI and measured at fair value. Such investment includes equity investments and Mutual Funds. The valuation of Promoter share whose transactions are not active in the market, 50% of quoted price of ordinary share of the same entity has been taken as fair value.

As at Ashadh 31, 2074 the fair value of the investment was NPR 197,915,558 and NAS carrying amount was NPR 166,458,413. The difference between the instruments fair value and NAS carrying amount was NPR 31,457,145 has been recognized in the Fair value reserve and movement was charged to Other Comprehensive Income.

As at Ashadh 31 2075 the fair value of the investment was NPR 186,617,352 and NAS carrying amount was NPR 172,150,608. The difference between the instruments fair value and NAS carrying amount was NPR 14,466,744 has been recognized in the Fair value reserve and movement was charged to Other Comprehensive Income.

e) Interest Income

Income amounting to NPR 202,521,522 was recognized for financial year 2016/17 for accrual of interest on loans, Interest benefit for staff loans and amortization of development bonds as an impact of interest unwinding.

Income amounting to NPR 33,932,372 was recognized for financial year 2017/18 for accrual of interest on loans, Interest benefit for staff loans and amortization of development bonds as an impact of interest unwinding.

f) Personnel Cost

An additional expense of NPR 5,268,963 was recognized as Personnel expenses as a result of actuarial valuation of Gratuity, additional expenses of NPR 1,241,659 of Leave Encashment and reversal of NPR 1,888,220 as amortization of prepaid staff loan for Financial Year 2016/17.

An expense of NPR 5,743,340 was reversed from to Personnel expenses as a result of actuarial valuation of gratuity, reversal of NPR 4,567,582 on Leave Encashment and NPR 17,228,205 was recognized as Personal expenses as amortization of prepaid staff loan for Financial Year 2017/18.

g) Corporate Social Responsibility

As per NRB Directive No. 6 (16), 1% of Net Profit of the year is required to be created as Corporate Social Responsibility (CSR) Fund. The bank has set aside NPR 6,298,995 from NFRS Profit and Loss as CSR fund during this fiscal year.

Particular	Amount
Opening Balance	**3,482,796**
Transfer during the year	6,298,995
Expense during the year	-
Closing Balance	**9,781,791**

h) Employee Training and Development Fund

As per NRB Directive No. 6 (6) the bank is required to incur expenses at least 3% of its preceding year's total staff expenses towards employee training and development. Any shortfall in meeting this mandatory expense in the FY 2074-75, will have to create a reserve fund to be spent on subsequent year. The Bank meets the statutory requirement of spending 3% of its preceding year's total staff expenses towards employee training and development. Hence, additional Employee Training and Development Fund have not been created during the Fiscal year.

Particular	Amount
Opening Balance	**70,021**
Transfer during the year	-
Expense during the year	70,021
Closing Balance	-

i) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

Particulars	FY 2072-073		FY 2073-074		FY 2074-075	
	Gratuity	Annual Leave Encashment	Gratuity	Annual Leave Encashment	Gratuity	Annual Leave Encashment
PV of Obligation at beginning of the year	**24,324,957**	**20,149,314**	**38,715,652**	**27,700,797**	**50,948,920**	**31,188,518**
Interest Cost	1,890,536	1,502,496	2,998,648	2,026,314	3,941,055	2,041,504
Current Service Cost	7,065,063	6,334,167	9,375,670	7,235,203	11,298,607	7,352,063
Acquisitions (credit)/ cost						
Benefit paid	(490,687)	(2,736,221)	(954,213)	(4,743,755)	(3,654,236)	(11,339,442)
Actuarial (Gain)/ Loss	5,925,783	2,451,041	813,163	(1,030,041)	6,114,224	10,600,938
Liability at the end of the year	**38,715,652**	**27,700,797**	**50,948,920**	**31,188,518**	**68,648,570**	**39,843,581**

Actuary losses pertaining to FY 2070-71 and FY2071/72 has been charged in FY 2072/73. Therefore The gross actuary losses charged to FY 2072/73 pertaining g to FY 2070-71 and FY2071/72 amounts to NRs 9,797,254.

j) Fair Value Reserve

Fair value reserve is created for the investment classified as the available for sale through OCI. The movement during the year is as below:

Particular	Amount
Opening Balance	**12,095,597**
Net Reversal during the year	(13,334,374)
Closing Balance	**(1,238,777)**

5.9 Other Reserve

The details of other reserve movement during the fiscal year are as below:

Particulars	Actuarial Reserve	Capital Adjustment Fund	CSR Reserve	Investment Adjustment Reserve	Employee Training and Dev. Fund	Total
Opening Balance	**(11,575,340)**	**35,536,834**	**3,482,796**	**71,446,762**	**70,021**	**98,961,073**
Actuarial gains/(losses) on defined benefit plans	(4,279,957)	-	-	-	-	(4,279,957)
Transfer to Reserves during the year	-	-	6,298,995	74,500,606	-	80,799,601
Transfer from Reserves during the year	-	-	-	(73,332,368)	(70,021)	(73,402,389)
Closing Balance	**(15,855,297)**	**35,536,834**	**9,781,791**	**72,615,000**	**-**	**102,078,328**

5.10 Loans and Advances Extended to Promoter/Group of Promoters against Promoter Shares by Other BFI's

S.N	Promoter's/Shareholders' Name	Total Shares	% of Paid-up	No. of Share Pledge	Loan Amount (Rs.)	Lending Bank	% of Pledge Share on Total Share
1	Shiva Hari Dangal	76,054	0.10	54,324	1,752,804	NIC Asia Bank Ltd	71.43
2	Anup Bahadur Malla	18,725	0.03	11,942	412,690	NIC Asia Bank Ltd	63.78
3	Girendraman Man Singh Shrestha	151,512	0.21	45,000	1,791,000	Janata Bank Nepal Ltd	29.70
4	Ram Agrawal	66,892	0.09	41,152	24,350,000	Janata Bank Nepal Ltd	61.52
5	Girendraman Man Singh Shrestha	151,512	0.21	88,511	4,761,686	Kailash Bikas Bank Ltd	58.42
6	Prabha Bhimsariya Goyanka	1,377,003	1.90	473,391	16,279,727	Kailash Bikas Bank Ltd	34.38
7	Ira Pradhan	232,916	0.32	232,916	15,000,000	Jebils Finance Ltd	100.00
8	Naresh Chandra Pradhan	66,168	0.09	66,168	2,600,000	Jebils Finance Ltd	100.00
9	Raj Mohan Karmacharya	335,790	0.46	335,790	13,500,000	Jebils Finance Ltd	100.00
10	Tanuj Govinda Joshi	273,059	0.38	273,059	17,957,744	Prime Commercial Bank Ltd	100.00
11	Puna Prasad Subedi	67,318	0.09	5,021	700,000	Manjushree Finance Ltd	7.46
12	Jaya Mahashakti Trade Investment Co. Ltd	285,507	0.39	258,507	1,212,097	Manjushree Finance Ltd	90.54
13	Manish Kumar Agrawal	14,067	0.02	9,144	580,000	Himalayan Bank Ltd	65.00
14	Chiniya Lal Amatya	32,977	0.05	32,977	818,877	Himalayan Bank Ltd	100.00
15	Anu Piya Shrestha	100,416	0.14	97,500	5,288,272	Mahalaxmi Bikas Bank Ltd	97.10
16	Binaya Upadhyay	54,324	0.07	52,804	4,606,255	Mahalaxmi Bikas Bank Ltd	97.20
17	Shakuntala Pokhrel Ghimire	2,485	0.00	2,485	91,945	ICFC Finance Ltd	100.00
18	Subash Kumar Khetan	14,058	0.02	10,041	376,537	ICFC Finance Ltd	71.43
19	Rishi Prasad Subedi	115,353	0.16	89,299	48,495,238	Century Commercial Bank Ltd	77.41
20	Amit Agrawal	70,292	0.10	50,208	5,650,823	Century Commercial Bank Ltd	71.43
21	Pradeep Jung Pandey	2,245,430	3.09	77,900	90,547,500	Century Commercial Bank Ltd	3.47
22	Himalay Bikram Malla Thakuri	232,234	0.32	232,234	13,932,430	Century Commercial Bank Ltd	100.00
23	Yeshaswika International Pvt Ltd	2,267,036	3.12	809,655	63,961,194	Century Commercial Bank Ltd	35.71
24	Bimala Rai	5,553	0.01	3,855	2,500,000	Century Commercial Bank Ltd	69.42
25	Bahadur Tamang	201,574	0.28	201,573	13,155,516	NCC Bank Ltd	100.00
26	Bal Krishna Shrestha	249,665	0.34	178,331	145,255,945	NCC Bank Ltd	71.43
27	Amir Shrestha	47,936	0.07	34,240			71.43
28	Rajan Krishna Shrestha	22,469	0.03	16,049			71.43
29	Deepak Kumar Malhotra	35,146	0.05	35,146	14,000,000	NCC Bank Ltd	100.00
30	Sabita Malhotra Pradhan	140,581	0.19	140,581			100.00
31	Dikesh Malhotra	94,191	0.13	94,191			100.00

32	Bala Krishna Shrestha	249,665	0.34	71,333	2,934,600	Nepal Bangladesh Bank Ltd	28.57
33	Amir Shrestha	47,936	0.07	13,696	563,500	Nepal Bangladesh Bank Ltd	28.57
34	Jeewan Kumar Agrawal	35,147	0.05	26,699	2,300,000	Sanima Bank Ltd	75.96
35	Ashok Kumar Baidhya	35,147	0.05	26,750	8,800,000	Sanima Bank Ltd	76.11
36	Narayan Kumar Shrestha	57,849	0.08	30,000	14,823,446	Citizens Bank International Ltd	51.86
37	Shanta Man Shrestha	12,308	0.02	8,791	65,429,305	Citizens Bank International Ltd	71.43
38	Ashok Kumar Shrestha	50,207	0.07	48,802	4,000,000	Jyoti Bikas Bank Ltd	97.20
39	Seema Marwadi	140,580	0.19	100,414	4,700,000	Prabhu Bank Ltd	71.43
40	Pushpa Man Shrestha	50,208	0.07	50,208	18,200,000	Prabhu Bank Ltd	100.00
41	Amit Agrawal	35,146	0.05	25,103	73,776,026	Bank of Kathamandu Ltd	71.42
42	Keshab Lal Shrestha	199,089	0.27	79,689	2,000,000	Lumbini Bikas Bank Ltd	40.03
43	Kalu Gurung	49,203	0.07	49,203	1,992,000	Lumbini Bikas Bank Ltd	100.00
44	Puna Prasad Subedi	67,318	0.09	60,553	4,450,000	Global Ime Bank Ltd	89.95
45	Suman Devi Agrawal	25,104	0.03	24,401	In Seven Digit	Global Ime Bank Ltd	97.20
46	Keshab Lal Shrestha	165,156	0.23	85,467	4,998,781	Muktinath Bikash Bank Ltd	51.75
47	Surendra Kumar Goel	182,755	0.25	130,539	23,650,971	NMB Bank Ltd	71.43
48	Ramjee Kumar	35,145	0.05	35,145	13,916,000	Nabil Bank Ltd	100.00
49	Jagdish Kumar Agrawal	140,580	0.19	100,414	69,500,000	Kumari Bank Limited	71.43
50	Navin Man Shrestha	7,028	0.01	5,020	589,283	Mahalaxmi Bikas Bank Ltd	71.43

5.11 Shareholders Holding 0.5% or more Share of the Total Shares

S.No.	Name of Shareholder	Number of Shares	% of Paid up Capital	Amount
1	Pradeep Jung Pandey	3,179,020	4.38	317,902,000.00
2	Er. Ichchha Raj Tamang	2,796,833	3.85	279,683,300.00
3	Employees Provident Fund	2,758,800	3.80	275,880,000.00
4	National Life Insurance Company Limited	2,536,707	3.49	253,670,700.00
5	Yeshaswika International Private Limited	2,486,626	3.43	248,662,600.00
6	Srijana Shakya Tamang	2,052,148	2.83	205,214,800.00
7	Asian Investment And Trading Company Pvt Ltd.	1,573,926	2.17	157,392,600.00
8	Prabha Bhimsaria Goenka	1,412,437	1.95	141,243,700.00
9	Vijaya Inernational Pvt.Ltd	1,151,305	1.59	115,130,500.00
10	Ambika Shah	928,422	1.28	92,842,200.00
11	KDB Capital Corporation Ltd	784,889	1.08	78,488,900.00
12	Rana Bahadur Shah	623,099	0.86	62,309,900.00
13	Raju Shrestha	462,163	0.64	46,216,300.00
14	Raj Mohan Karmacharya	448,109	0.62	44,810,900.00
15	Meena Maharjan	437,143	0.60	43,714,300.00
16	Bala Krishna Shrestha	416,370	0.57	41,637,000.00
17	Amir Ratna Dangol	372,981	0.51	37,298,100.00
18	Prakash Tayal	370,162	0.51	37,016,200.00
	Total	**24,791,140**		**2,479,114,000.00**

5.12 Principal Indicators

Indicators	Unit	As per Previous GAAP Report			As per NFRS	
		F/ Y (2070/071)	F/ Y (2071/072)	F/ Y (2072/073)	F/ Y (2073/074)	F/ Y (2074/075)
1. Net Profit/ Gross Income	Percent	11.63	9.64	7.30	33.10	12.79
2. Earnings Per Share	Rs.	8.24	7.46	6.03	29.68	9.69
3. Market Value Per Share	Rs.	149.00	330.00	255.00	246	153
4. Price Earning Ratio	Ratio	40.02	36.19	42.32	8.29	15.79
5. Dividend (including bonus) on Share Capital	Percent	8.50	7.11	3.03	10.789	4.05
6. Cash Dividend on Share Capital	Percent	1.50	0.36	0.15	0.539	4.05
7. Interest Income/ Loans and Advances	Percent	11.56	10.26	9.46	10.16	9.97
8. Staff Expenses/ Total Operating Expenses	Percent	47.40	48.06	50.04	13.11	13.87
9. Interest Expenses/ Total Deposits and Borrowings	Percent	6.61	5.51	4.86	6.02	7.44
10. Exchange Gain/ Total Income	Percent	2.86	3.03	3.39	1.86	3.18
11. Staff Bonus/ Total Staff Expenses	Percent	17.76	13.67	10.22	11.99	16.03
12. Net Profit/Total Loans and advances	Percent	1.25	0.99	0.73	4.88	1.52
13. Net Profit/ Total Assets	Ratio	0.0067	0.0094	0.0076	0.0364	0.0121
14. Total Loans & Advances/ Total Deposits	Percent	86.52	86.90	84.05	92.04	103.38
15. Total Operating Expenses/ Total Assets	Percent	1.45	1.54	1.45	6.55	7.75

16. Capital Adequacy (On Risk Weighted Assets)						
a. Core Capital	Percent	13.76	12.79	11.07	17.85	19.45
b. Supplementary Capital	Percent	0.89	0.86	1.11	0.96	0.86
c. Total Capital Fund	Percent	14.65	13.65	12.19	18.82	20.32
17. Liquidity (CRR)	Percent	16.34	10.52	8.50	7.13	6.34
18. Non-Performing Loan/ Total Loans & advances	Percent	1.76	3.20	4.49	3.96	2.63
19. Weighted Average Interest Rate Spread	Percent	3.36	4.33	3.43	2.66	2.65
20. Book Net Worth (In Million)	Rs.	3,036	3,288	3,473	7,127	9,850
21. Book Net Worth per Share	Rs.	105.14	106.66	108.04	137.458	135.69
22. Number of Shares	Nos.	28,878,494	30,827,793	32,147,929	51,852,217	72,593,104
23. Number of Staff	Nos.	404.00	406.00	404.00	526	685
24. Base Rate	Percent	9.44	8.99	7.85	11.59	11.84
25. Others	-	-	-	-	-	-

5.13 Disclosure effect of transition from previous GAAP to NFRSs

The bank has prepared the opening Statement of Financial Position as per NFRS as of 1st Shrawan, 2073 (16th July 2016) (the transition date) by:

(a) Recognizing all assets and liabilities whose recognition is required by NFRS,
(b) Reclassifying items from previous GAAP to NFRS as required under NFRS,
(c) Not recognizing items of assets and liabilities which are not permitted by NFRS and
(d) Applying NFRS in measurement of recognized assets and liabilities

5.13.1. Reconciliation of equity

	Explanatory Note	"As at 01.04.2073" (Date of Transition)	"As at 31.03.2074" (End of last period presented under previous GAAP)
Total equity under Previous GAAP **Adjustments under NFRSs:**		**3,481,831,273**	**5,794,089,537**
Impairment on loan and advances	1	300,000	
Fair value & employees benefit accounting of staff loan		-	-
Lease accounting			
Measurement of investment securities at fair value	2	24,349,508	12,095,597
Revaluation of property & equipment		-	-
Recognition of investment property	3	1,715,774	199,735,870
Amortisation of debt securities issued	EN	-	(6,343,168)
Deferred tax	4	(62,324,785)	(188,398,364)
Defined benefit obligation of employees	5	(30,167,071)	(35,666,219)
Goodwill/Bargain purchase gain	6	-	906,841,684
Interest income	7	221,389,056	430,678,158
Other			
-Investment Provision Reversal/(Charged)	8		14,177,721
Total Adjustment to equity		**155,262,477**	**1,333,121,280**
Total Equity under NFRSs		**3,637,093,749**	**7,127,210,816**

Explanatory Note :-

1. Impairment on loan and advances

Loans and advances are assessed individually and collectively as per incured loss model which is compared with the loss provision prescribed by NRB directive no. 2. As per recent Carve Outs,Higher of the loss as per incurred loss model and NRB directive is considered for impairment.

2.Measurement of investment securities at fair value

Investments were measured at cost less diminution in value. Under NFRS, these financial assets have been classified as financials investment held for sale(FVTOCI). On the date of transition to NFRS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount as explained in the table below. These changes have been recongnised under Other Comprehensive Income (OCI).

Particulars	(16-Jul-2016)	(15-Jul-2017)
Increase in carrying amount due to fair value	34,785,012	17,279,424
Deferred tax impact on the increased amount	10,435,503	5,183,827
Net Increase in Equity	**24,349,508**	**12,095,596**

3. Investment Properties/Non Banking Asset

Under previous GAAP, Non Banking Assets (NBA) were recognised as per Directives of Nepal Rastra Bank and 100% provision were made.

Particulars	(16-Jul-2016)	(15-Jul-2017)
Increase in carrying amount due to reversal of provision on NBA	1,715,774	199,735,870
Net increament in total equity	**1,715,774**	**199,735,870**

4. Deferred tax

Deferred tax are mainly created due to accrual interest income booking , reversal of loan loss provision, reversal of investment,Premium amortization of Bonds and acturial valution impact of defined benefit obligation. Below are the imapct on equities as a result of NFRS Implementaion.

Particulars	(16-Jul-2016)	(15-Jul-2017)
Reversal of DTA as per GAAP	(1,039,019)	(22,341,886)
DTL created as per NFRS	61,285,766	166,056,478
Net decrease in Equity	**(62,324,785)**	**(188,398,364)**

5. Defined benefit obligation of employees

As per the Acturial Valuation of defined benfit obligations mainly gratuity and leave encashment, the increase or decrease in liability has been incorporated. The net recognized amount, is the sum of cumulative excess of contributions to the plan over Net Annual Expense and other plan-related charges to Income due either to business combination or accelerated recognition pursuant to NAS 19.Below is the imapct of same.

Particulars	(16-Jul-2016)	(15-Jul-2017)
Net increase(decrease) in gratuity fund	14,811,525	19,069,014
Net increase(decrease) in leave encashment fund	15,355,546	16,597,205
Net decrease in Equity	**30,167,071**	**35,666,219**

6. Bargain Purchase Gain

Bargain purchase gain arising due to differences in purchase consideration and net assest value of merged entities.

7. Interest income

NRB Directives requires banks to book their income on accrual basis, except for interest receivables on loan and advances which are accounted for on cash basis. Interest income from loan and advances are transferred to suspense account until the amounts is realized.NFRS requires that incomes on loans are accounted for on an effective interest rate basis and recognised under accrual basis.Below is the imapct of acccural accounting in equity.

Particulars	(16-Jul-2016)	(15-Jul-2017)
Accrual interest income booking of loans and advances	221,389,056	430,678,158
Net Increase in Equity	221,389,056	430,678,158

8. Other

Below are the necessary adjustment required of GAAPs financial statements to be in par with NFRS financial statements .

Particulars	(16-Jul-2016)	(15-Jul-2017)
a) Reversal of investment provision	-	14,177,721
Net Increase in Equity	-	**14,177,721**

5.13.2. Reconciliation of Profit or Loss

	Explanatory Note	For the year ended 31.03.2074 (the latest period presented under previous GAAP) Profit/(Loss) for the year
Previous GAAP		**348,279,570**
Adjustments under NFRSs:		
Interest income	1	209,289,102
Impairment of loan and advances		
Employees benefit amortisation under staff loan	2	-
Defined benefit obligation of employee	3	(6,510,622)
Operating lease expense		-
Amortisation expense of debt securities		(6,343,168)
Other operating income		-
Interest expense		
Depreciation & Amortisation		-
Other		
Recognition of investment property	5B	198,020,096
Measurement of investment securities at fair value(Investment provision reversal)	5A	13,877,721
Bargain Purchase Gain	5C	906,841,684
Deferred tax	4	(124,492,889)
Total Adjustment to profit or loss		**1,190,681,920**
Profit or loss under NFRSs		**1,538,961,490**
Other Comprehensive Income	6	(12,823,126)
Total Comprehensive income under NFRSs		**1,526,138,364**

* Explanatory note

1. Interest income	
Accrual Interest income accounting of loans and advances	209,285,243
Accrual Interest income accounting of staff loans	3,859
	209,289,102
2. Employees benefit amortisation under staff loan	
Interest income	(1,888,220)
Finance expense under NFRS/Employee benefit amortization	1,888,220
	-
3. Defined benefit obligation of employee	
Decrease in gratuity expense due to acturial valuation	(5,268,963)
Decrease in leave encashment expense due to acturial valuation	(1,241,659)
Additional Expenses charged as per actuary	**(6,510,622)**
4 Deferred tax expense	
Increase in loan loss provision due to booking of AIR	(62,786,731)
Provision for leave encashment	372,498
Provision for Gratuity	1,580,689
Property plant and equipment	(59,406,029)
Adjustment for merger	
Actuarial gain or loss on Gratuity	
Reversal of Deferred tax under Gaap	
Reversal of Provision for investment	(4,253,316)
Deferred Tax expenses as per NFRS	**(124,492,889)**
5 Others	
A) Investment provision reversal	
Reversal of investement provision required	**13,877,721**
B) Reversal of Provision of Investment Properties (NBA)	
Provision of Investment Properties (NBA) in 2072/73	1,715,774
Provision of Investment Properties (NBA) in 2073/74	199,735,870
Increase in Provision of NBA	**198,020,096**
C) Bargain Purchase Gain	
Bargain Purchase Gain as per NFRS is recognized as follows:	
Fair Value of Assets Acquired	4,796,342,794
Fair Value of Liabilities Acquired	1,919,072,304
Fair Value of Purchase Consideration	1,970,428,806
Bargain Purchase Gain	**906,841,684**
6 Other comprehensive income	
Gains/(losses) from investment in equity instruments measured at fair value	(17,505,588)
Actuarial gains/(losses) on defined benefit plans	(813,163)
Income tax relating to above items	5,495,625
Other comprehensive income	**(12,823,126)**

5.13.3. Effect of NFRSs adoption for the statement of financial position

		As at 01.04.2073 (Date of Transition)			As at 31.03.2074 (End of last period presented under previous GAAP)		
Particulars	**Explanatory Note**	**Previous GAAP**	**Effect of Transition to NFRSs**	**Opening NFRSs statement of Financial Position**	**Previous GAAP**	**Cumulative Effect of Transition to NFRSs**	**Amount as per NFRSs**
Assets							
Cash and cash equivalent		1,881,000,488	-	1,881,000,488	1,828,067,154	-	1,828,067,154
Due from Nepal Rastra Bank		2,709,298,559	-	2,709,298,559	3,004,169,600	-	3,004,169,600
Placement with Bank and Financial Institutions		603,793,277	-	603,793,277	727,644,062	-	727,644,062
Derivative financial instruments		548,073	-	548,073	424,350	-	424,350
Other trading assets		-	-	-	-	-	-
Loans and Advances to BFIs	3.1	937,534,586	111,518	937,646,104	1,101,897,570	1,338,891	1,103,236,460
Loans and advances to customers	3.2	24,788,924,654	180,885,945	24,969,810,599	28,678,978,877	359,337,971	29,038,316,847
Investment securities	3.3	3,779,121,197	35,085,012	3,814,206,209	5,418,344,976	26,577,785	5,444,922,762
Current tax assets		148,463,486	-	148,463,486	212,110,462	-	212,110,462
Investment in susidiaries		69,615,000	-	69,615,000	120,615,000	-	120,615,000
Investment in associates		-	-	-	-	-	-
Investment property	3.4	-	1,715,774	1,715,774	-	199,735,870	199,735,870
Property and equipment		240,490,902	-	240,490,902	244,631,570	-	244,631,570
Goodwill and Intangible assets		22,309,285	-	22,309,285	34,532,798	-	34,532,798
Deferred tax assets	3.5	1,039,019	(1,039,019)	-	22,341,886	(22,341,886)	-
Other assets	3.6	86,813,781	40,391,593	127,205,373	271,008,479	70,001,296	341,009,775
Total Assets		**35,268,952,305**	**257,150,823**	**35,526,103,129**	**41,664,766,782**	**634,649,927**	**42,299,416,710**
Liabilities							
Due to Bank and Financial Instituions		2,464,367,915	-	2,464,367,915	3,449,044,600	-	3,449,044,600
Due to Nepal Rastra Bank		-	-	-	3,500,000	-	3,500,000
Derivative financial instruments.		-	-	-	-	-	-
Deposits from customers		29,099,655,256	-	29,099,655,256	31,186,198,176	-	31,186,198,176
Borrowing		-	-	-	-	-	-
Current Tax Liabilities		-	-	-	-	-	-
Provisions		362,375	-	362,375	618,825	-	618,825
Deferred tax liabilities	3.7	-	65,373,473	65,373,473	-	164,531,678	164,531,678
Other liabilities	3.8	222,735,493	36,514,868	259,250,361	324,473,962	43,838,655	368,312,618
Debt securities issued		-	-	-	-	-	-
Subordinated Liabilities		-	-	-	-	-	-
Total liabilities		**31,787,121,039**	**101,888,341**	**31,889,009,380**	**34,963,835,563**	**208,370,333**	**35,172,205,896**
Equity							
Share capital		3,082,779,256	-	3,082,779,256	5,185,221,687	-	5,185,221,687
Share premium	3.10	-	1,077,222	1,077,222	-	-	-
Retained earnings	3.9	140,123,385	141,919,093	282,042,478	788,427,046	425,759,337	1,214,186,383
Reserves	3.11	258,928,632	12,266,161	271,194,793	727,282,487	520,257	727,802,744
Total equity attributable to equity holders		**3,481,831,273**	**155,262,477**	**3,637,093,749**	**6,700,931,221**	**426,279,593**	**7,127,210,814**
Non-controlling interest							
Total equity		**3,481,831,273**	**155,262,477**	**3,637,093,749**	**6,700,931,221**	**426,279,593**	**7,127,210,814**
Total liabilities and equity		**35,268,952,305**	**257,150,823**	**35,526,103,129**	**41,664,766,782**	**634,649,927**	**42,299,416,710**

* Explanatory note is required for each line item which has been impacted by transition

5.13.3. Explanatory Note on Effect of NFRSs adoption for the statement of financial position

	As at 01.04.2073 (Date of Transition)	As at 31.03.2074 (End of last period presented under previous GAAP)
3.1 Loans and advances to BFI's		
Loans and advances as per GAAP	937,534,586	1,101,897,570
Accrued Interest	111,518	1,338,890
Difference in GAAP and NFRS	-	-
Balance as per NFRS	**937,646,104**	**1,103,236,460**
3.2 Loans and advances to customers		
Loans and advances as per GAAP	24,788,924,654	28,678,978,877
Accrued Interest	221,277,538	429,339,267
Remeasurement of Staff Loan	(40,391,593)	(70,001,296)
Difference in GAAP and NFRS	180,885,945	359,337,971
Balance as per NFRS	**24,969,810,599**	**29,038,316,847**
3.3 Investment Securities		
Investment in securities as per GAAP	3,779,121,197	5,418,344,976
Change in Fair Value as per NFRS	34,785,012	26,577,785
Difference	-	-
Balance as per NFRS	**3,813,906,209**	**5,444,922,762**
3.4 Investment Properties		
Gross Investment Properties (NBA) as per GAAP	1,715,774	199,735,870
Less: Provision for NBA	1,715,774	199,735,870
Net Investment Properties as per GAAP	-	-
Reversal of Provision for Investment Properties (NBA)	**1,715,774**	**199,735,870**
3.5 Deferred Tax		
Deferred Asset/(Liabilities)Tax as per GAAP	1,039,019	22,341,886
Reversal of Deferred Tax assets	(1,039,020)	(22,341,886)
Closing Deferred Asset/(Liabilities)Tax as per NFRS	-	-
As per previous GAAP, deferred tax assets were created, which was reversed and deferred tax liability was shown.		
3.6 Other assets		
Other Asset as per GAAP	86,813,781	271,008,479
Staff Loan amortization	40,391,593	70,001,296
Total Other Assets as per NFRS	**127,205,373**	**341,009,775**
3.7 Deferred Tax Liabilities		
Deferred Asset/(Liabilities)Tax as per GAAP	-	-
Deferred Asset/(Liabilities)Tax as per NFRS	-	-
Increase in Fair Value	(10,435,504)	(5,009,862)
NBA provision reversal	(514,732)	(59,920,761)
Increase in loan due to booking of AIR	(66,416,717)	(129,203,447)
Provision for Gratuity	6,347,797	24,641,231
Provision for Leave Encashment	4,606,664	-
Adjustment for merger	-	14,841,869
Deferred tax asset Reversal under NFRS	1,039,020	(9,880,708)
Investment Provision reversal	-	-
Closing Deferred Asset/(Liabilities)Tax as per NFRS Equity	**(65,373,473)**	**(164,531,678)**
3.8 Other liabilities		
Other Liabilities as per GAAP	222,735,493	324,473,962
Additional Provision of Gratuity	21,159,322	27,241,448
Additional Provision of Leave	15,355,546	16,597,205
Total liabilities as per NFRS	**259,250,361**	**368,312,615**
3.9 Retained earnings		
Opening retained earning as per GAAP	140,123,385	788,427,046
Defined Benefit Obligation	(3,805,400)	(7,493,674)
AIR of Loan	221,389,056	430,678,158
Provision reversal of Investment Property	1,201,042	139,815,109
Reversal of Provision on Investment	300,000	14,177,721
Leave Encashment Actuarial Gain/Loss	(15,355,546)	(16,597,205)
Premium on Bond Amortization	-	(6,343,168)
Deferred Tax	(61,810,053)	(128,477,603)
Total	**282,042,478**	**1,214,186,385**
3.10 Share Premium		
Share Premium as per GAAP	-	-
Reclassification of Reserve as Share premium	(1,077,222)	-
Total	**(1,077,222)**	**-**
3.11 Reserve		
Opening Reserve as per GAAP	258,928,632	727,282,487
Fair Value Reserve	24,349,508	12,095,597
Actuarial reserves	(11,006,126)	(11,575,340)
Reclassification of Reserve as Share premium	(1,077,222)	-
Total	**271,194,793**	**727,802,744**

5.13.4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

		For the year ended 31.03.2074 (the latest period presented under previous GAAP)		
Particulars	**Explanatory Note**	**Previous GAAP**	**Effect of Transition to NFRSs**	**Amount as per NFRSs**
Interest income	4.1	3,207,703,470	202,521,521	3,410,224,991
Interest expense		(2,084,865,516)	-	(2,084,865,516)
Net interest income		**1,122,837,954**	**202,521,521**	**1,325,359,475**
Fee and commission income		179,957,369	-	179,957,369
Fee and commission expense		(12,533,975)	-	(12,533,975)
Net fee and commission income		**167,423,393**	**-**	**167,423,393**
Net interest, fee and commission income		**1,290,261,347**	**202,521,521**	**1,492,782,868**
Net trading income		86,685,613	-	86,685,613
Other operating income		47,781,901	-	47,781,901
Total operating income		**1,424,728,862**	**202,521,520**	**1,627,250,382**
Impairment charge/(reversal) for loans and other losses	4.2	(217,870,941)	211,897,817	(5,973,124)
Net operating income		**1,206,857,920**	**414,419,337**	**1,621,277,258**
Operating expense				
Personnel expenses	4.3	(358,569,189)	(4,622,403)	(363,191,592)
Other Operating Expenses		(310,009,758)	-	(310,009,758)
Depreciation & Amortisation		-	-	-
Operating Profit		**538,278,974**	**409,796,934**	**948,075,907**
Non operating income	4.4	18,284,500	906,841,684	925,126,184
Non operating expense		(120,944,746)	-	(120,944,746)
Profit before income tax		**435,618,728**	**1,316,638,618**	**1,752,257,345**
Income tax expense				
Current Tax		(96,991,585)	-	(96,991,585)
Deferred Tax		9,652,427	(125,956,697)	(116,304,270)
Profit for the year		**348,279,570**	**1,190,681,921**	**1,538,961,490**
Other comprehensive income	4.5	-	(12,823,126)	(12,823,126)
Total Comprehensive Income		**348,279,570**	**1,177,858,795**	**1,526,138,364**

5.13.4. Explanatory Note on Effect of NFRSs adoption for the statement of profit or loss and other comprehensive income

Particulars	As at 31.03.2074 (End of last period presented under previous GAAP)
4.1 Interest Income	
Interest Income as per GAAP	3,207,703,470
Accrued interest of loans and advances	209,289,102
Less: Amortization of the Premium on Bonds	4,879,360
Less: Income from Amortization of Prepaid Employee Benefit	1,888,220
Interest Income as per NFRS	**3,410,224,991**
4.2 Impairment charge/(reversal) for loans and other losses	
Impairment charge/(reversal) for loans and other losses	217,870,941
Less: Reversal of impairment as per GAAP	211,897,817
Impairment charge/(reversal) for loans and other losses as per NFRS	**5,973,124**
4.3 Personnel Expenses	
Personnel Expenses as per GAAP	358,569,189
Actuarial Expenses of Defined Benefit Obligation	6,510,622
Less: Amortization of Prepaid Employee Benefit	1,888,220
Personnel Expenses as per NFRS	**363,191,592**
4.4 Non-Operating Income	
Non-operating Income as per GAAP	18,284,500
Add: Bargain Purchase Gain	906,841,684
Non-operating Income as per NFRS	**925,126,184**
4.5 Other Comprehensive Income	
Other comprehensive income as per GAAP	-
Loss on FV of Available for Sale Investment	17,505,588
Actuarial Expenses of Defined Benefit Obligation	813,163
Less: Deferred Tax from loss on FV of Available for Sale Investment	5,251,676
Less: Deferred Tax from Actuarial Expenses of Defined Benefit Obligation	243,949
Other Comprehensive Income as per NFRS	**12,823,126**

5.13.5 . Effect of NFRSs adoption for statement of cash flows

		For the year ended 31.03.2074 (the latest period presented under previous GAAP)		
Particulars	**Explanatory Note***	**Previous GAAP**	**Effect of Transition to NFRSs**	**Amount as per NFRSs**
Net cash flows from operating activities		(2,500,648,977)	2,259,647,842	(241,001,135)
Net cash flows from investing activities		(149,402,969)	(1,626,106,256)	(1,775,509,225)
Net cash flows from financing activities		2,881,541,501	(917,964,475)	1,963,577,026
Net increase/(decrease) in cash and cash equivalent		231,489,556	(284,422,890)	(52,933,334)
Cash and cash equivalent at the beginning of the period		4,231,813,227	(2,350,812,739)	1,881,000,488
Cash and cash equivalent at the end of the period		4,463,302,782	(2,635,235,628)	1,828,067,154

*** Explanatory note is required for each line item**

1. The changes in net cash flows from operating activities, investing activities and financing activities is due to regrouping and reclassification of items required under NFRS which is different from regulatory GAAPs financial statements.

2. The changes in cash and cash equivalents at the end of the period is due to regrouping and reclassification of items i.e statutory balance with NRB, required under NFRS which is different from regulatory GAAPs financial statements.

5.14 Merger and acquisition

The Group has not entered into any merger and acquisition activities in the reporting period.

5.15 Additional Disclosures of non-consolidated entities

The Group does not have any non-consolidated entities to report for the reporting period and in the comparative previous period.

5.16 Figures are regrouped and rearranged

The figures have been regrouped/ rearranged wherever necessary in order to facilitate comparison.

5.17 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period); and

(b) Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Non adjusting Event-Disclosure

There are no material Non-adjusting events that have occurred subsequent to 16th July, 2018 till the signing of this financial statement on February 15, 2019 which could influence economic decision of the user of financial statement.

Adjusting Event

There are no material adjusting events that have occurred subsequent to 16th July, 2018 till the signing of this financial statement on February 15, 2019 that existed at the end of reporting period

The Board has decided to propose 4.05% Cash Dividend on Paid Up Capital of NPR 7,259,310,361.8 which shall be approved by the 8th Annual General Meeting of the Bank.

5.18 Loan Write Off Details

Amount in NPR

S.No.	Types of Loan	Write Off Date	Amount
1	Term Loan	12-Apr-18	85,762,848
2	Working Capital Loan	12-Apr-18	26,066,576
		12-Apr-18	5,880,267
		12-Apr-18	12,432,965
Total			**130,142,657**

Comparison Unaudited and Audited Financial Statements as of FY 2074/75

Rs. in '000'

Statement of Financial Position Assets	As per unaudited Financial Statement	As per Audited Financial Statement	Variance In amount	In %	Reasons for Variance
Cash and cash equivalent	1,923,771	2,334,378	410,607	21.34%	Due to regrouping & reclassification
Due from NRB and placements with BFIs	3,264,009	3,001,320	(262,690)	-8.05%	Due to regrouping & reclassification
Loan and advances	40,471,235	40,122,944	(348,291)	-0.86%	Due to regrouping & reclassification & change in provision
Investments Securities	5,543,623	5,526,474	(17,149)	-0.31%	Due to change in fair value of financials assets
Investment in subsidiary and associates	120,615	120,615	-	0.00%	
Property And Equipment	255,628	433,052	177,424	69.41%	Due to regrouping & reclassification of investment properties
Goodwill and intangible assets	40,584	40,584	-	0.00%	
Other assets	886,884	345,862	(541,022)	-61.00%	Due to regrouping & reclassification
Total Assets	**52,506,350**	**51,925,229**	**(581,120)**	**-1.11%**	
Capital and Liabilities					
Paid up Capital	8,003,390	7,259,310	(744,079)	-9.30%	Due to regrouping & reclassification
Reserves and surplus	2,228,948	2,590,605	361,657	16.23%	Due to following effects 1. Addition of regulatory reserve 2. Change in fair value of financials assets. 3. Addition of defined benefit obligation due to actuarial valuation. 4. Recognition of interest income on accrual basis. 5. Change in deferred tax liabilities
Deposits	40,026,959	41,321,097	1,294,138	3.23%	Due to regrouping & reclassification
Borrowings	1,310,501	-	(1,310,501)	-100%	Due to regrouping & reclassification
Bond and Debenture	-	-	-	0.00%	
Other liabilities and provisions	936,551	754,217	(182,334)	-19.47%	Due to following effects 1. Addition of defined benefit obligation due to actuarial valuation. 2. Change in deferred tax liabilities 3. Regrouping & reclassification.
Total Capital and Liabilities	**52,506,350**	**51,925,229**	**(581,120)**	**-1.11%**	
Statement of Profit or Loss					
Interest income	4,456,853	4,441,858	(14,995)	-0.34%	Due to recognition of interest income on accrued basis.
Interest expense	3,033,461	3,033,461	(0)	-0.00%	
Net interest income	**1,423,392**	**1,408,397**	**(14,995)**	**-1.05%**	
Fee and commission income	266,435	242,338	(24,097)	-9.04%	Due to regrouping & reclassification
Fee and commission expense	552	23,099	22,547	4087.50%	Due to regrouping & reclassification
Net fee and commission income	**265,884**	**219,239**	**(46,644)**	**-17.54%**	
Other operating income	-	199,733	199,733	-100%	Due to regrouping & reclassification and change in fair value of investmentproperties & financials asset.
Total operaing income	**1,689,276**	**1,827,369**	**138,094**	**8.17%**	
Impairment charge/(reversal) for loans and other losses	245,459	(125,831)	(371,291)	-151.26%	Due to change in provision as per NRB
Net operating income	**1,934,735**	**1,953,201**	**18,466**	**0.95%**	
Personnel expenses	588,528	558,413	(30,114)	-5.12%	Addition of defined benefit obligation due to actuarial valuation & adjustment of employees benefit under NFRS
Other operating expenses	505,403	411,164	(94,239)	-18.65%	Due to regrouping & reclassification & adjustment of expenses
Operating profit	**840,805**	**983,624**	**142,819**	**16.99%**	
Non operating income/expense	158,187	(88,375)	(246,562)	-155.87%	Due to regrouping & reclassification
Profit before tax	**998,992**	**895,249**	**(103,743)**	**-10.38%**	
Income tax	297,701	265,350	(32,351)	-10.87%	Due to change in deferred tax & change in current year tax expense
Profit /(loss) for the period	**701,291**	**629,899**	**(71,391)**	**-10.18%**	
Other comprehensive income	(17,952)	(17,614)	338	-1.88%	Due to change in fair value of financial assets & loss of actuarial valuation
Total comprehensive income	**683,339**	**612,285**	**(71,054)**	**-10.40%**	
Distributable Profit	**683,339**	**629,899**	**(53,439)**	**-7.82%**	
Net profit/(loss) as per profit or loss	701,291	629,899	(71,391)	-10.18%	
Add/Less: Regulatory adjustment as per NRB Directive	-	(637,943)	(637,943)		
Free profit/(loss) after regulatory adjustments	**701,291**	**(8,043)**	**(709,334)**	**-101.15%**	

नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं।
फोन नं.: ४४१९८०४,७
फ्याक्स नं.: ४४१०१५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स:७३

पत्रसंख्या:- बै.सु.वि./अफसाइट/एजिएम/२७/२०७५-७६ मिति: २०७५/११/१९

सिभिल बैंक लिमिटेड,
सि.टि.सि.मल, सुन्धारा, काठमाडौं।

विषय: लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु पालना गरेको देखिएको हुँदा, ऐ. ऐनको उपदफा (१) बमोजिम प्रस्तावित नगद लाभांश रु. रु.२९,४०,०२,०६९।६५ (अक्षरेपी उनान्तीस करोड चालीस लाख दुई हजार उनान्सत्तरी र पैसा पैसठ्ठी मात्र) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृतिका साथै आ.व. २०७४/७५ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. लेखापरिक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्णरुपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन।

२. यस बैंकबाट जारी गरिएको एकीकृत निर्देशनको निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्रप्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पुँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरुमा चुक्ता पुँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुले आफ्नो शेयर सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय,

(यज्ञ श्रेष्ठ)
उप निर्देशक

बोधार्थ :
१. नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
२. बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, सिभिल बैंक लिमिटेड।
३. नेपाल राष्ट्र बैंक, विदेशी विनिमय व्यवस्थापन विभाग।

वार्षिक वित्तीय विवरण प्रकाशनको स्वीकृति प्रदान गर्ने क्रममा नेपाल राष्ट्र बैंकबाट स्वीकृति पत्रमा उल्लेखित निर्देशनहरुको कार्यन्वयन सम्बन्धमा बैंकको प्रतिक्रिया :

१. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरुमा क्रमशः सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाइनेछ ।
२. निर्देशन अनुसार गरिनेछ ।

ANNUAL FINANCIAL STATEMENTS

2073/2074 (2016/2017)

BRS Neupane & Co.
Chartered Accountants
Kumari Marg, House No. 43
P.O. Box 8137, Naxal,
Kathmandu, Nepal

Tel : 977-1- 4411314
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Web : www.brs.com.np

BRS Neupane & Co.

Independent Auditors' Report
to
The Shareholders of Civil Bank Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Civil Bank Limited,** which comprise the Balance Sheet as at 31st Ashad, 2074 (Corresponding July 15, 2017), Profit and Loss Account and Cash Flow Statement for the year then ended, and Significant Accounting Policies and Notes to Account.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements. Management has prepared financial statements in accordance with the requirement as stipulated by Nepal Rastra Bank and not in accordance with Nepal Financial Reporting Standards (NFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The applicable Financial Reporting Framework (FRF) for the bank was changed to Nepal Financial Reporting Standards (NFRS) from Nepal Accounting Standard (previous local GAAP) with effective from fiscal year starting July 15, 2015. Change in Financial Reporting Framework require transition to Nepal Financial Reporting Standard as at July 17, 2014 and presentation of at least three statements of financial position, two statements of comprehensive income, two separate

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income statement, if presented, two statement of cash flow and two statement of changes in equity and related notes, including comprehensive information. However, the accompanying financial statements has not been prepared based on the transitional provision of Nepal Financial Reporting Standards (NFRS) which requires identification, restatements, presentations and disclosures of financial information based on the new accounting policy as per Nepal Financial Reporting Standards (NFRS).

Qualified Opinion

In our opinion, except for the possible effect of matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respect of the financial position of Civil Bank Limited as at 31st Ashad, 2074 and, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Report on the Requirement of the Companies Act 2063, Bank and Financial Institution Act 2073

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, the balance sheet, the profit and loss account and cash flow statement, prepared in the format prescribed by Nepal Rastra Bank, are in agreement with the books of accounts of the bank; and proper books of account as required by law have been kept by the bank. The bank has accounted for interest income from loans and advances on cash basis as per Nepal Rastra Bank's directives. The bank has recognized as accrued interest income on loans and advances till Ashad end 2074 recovered within 15th Shrawan 2074.

In our opinion, the returns from the branches are adequate for the purpose of the audit though the statements are independently not audited.

In our opinion, so far as appeared from our examination of the books, the bank has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.

To the best of our information and according to explanations given to us and from our examination of the books of accounts of the bank necessary for our audit purpose, we have not come across cases where board of directors or any employees of the bank have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the bank and violated any directives of Nepal Rastra Bank or acted in a manner to put at risk the interest and security of the bank, its depositiors and investors.

Date : 2075/02/21
Place : Kathmandu, Nepal

CA. Anup K. Shrestha
Managing Partner

Balance Sheet

As at 31 Ashadh 2074 (15 July 2017)

Capital & Liabilities	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Share Capital	4.1	5,929,300,999	3,214,792,881
2. Reserves and Funds	4.2	7,32,468,153	260,588,282
3. Debentures & Bonds	4.3	-	-
4. Loans and Borrowings	4.4	403,500,000	-
5. Deposit Liabilities	4.5	34,235,242,776	31,564,023,171
6. Bills Payables	4.6	22,791,621	4,639,369
7. Proposed Cash Dividend		39,162,069	6,948,086
8. Income Tax Liability		-	-
9. Other Liabilities	4.7	358,456,820	218,458,498
Total Capital & Liabilities		**41,720,922,438**	**35,269,450,287**

Assets	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Cash Balance	4.8	841,961,637	762,669,876
2. Balance with Nepal Rastra Bank	4.9	3,004,166,805	2,709,150,692
3. Balance with Banks/Financial Institutions	4.10	617,174,340	759,992,660
4. Money at Call and Short Notice	4.11	-	200,000,000
5. Investments	4.12	6,584,133,034	4,584,372,808
6. Loans, Advances and Bills Purchased	4.13	29,511,613,828	25,485,560,581
7. Fixed Assets	4.14	279,164,373	262,800,190
8. Non-banking Assets	4.15	-	-
9. Other Assets	4.16	882,708,421	504,903,480
Total Assets		**41,720,922,438**	**35,269,450,287**

Contingent Liabilities	Schedule 4.17
Directors' Declaration	Schedule 4.29
Statement of Capital Adequacy Table	Schedule 4.30 (A)
Statement of Risk Weighted Exposure	Schedule 4.30 (B-E)
Principal Indicators	Schedule 4.31
Significant Accounting Policies	Schedule 4.32
Notes to Accounts	Schedule 4.33
Statement of Loans and Advances against Promoters shares	Schedule 4.34
Comparison of Unaudited and Audited Financial Statements	Schedule 4.35

Schedules 4.1 to 4.17 are integral part of the Balance Sheet

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Profit and Loss Account

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Interest Income	4.18	3,207,703,470	2,409,674,215
2. Interest Expenses	4.19	2,084,865,517	1,414,813,576
Net Interest Income		**1,122,837,953**	**994,860,639**
3. Commission and Discount	4.20	87,072,068	67,976,408
4. Other Operating Income	4.21	114,854,747	87,196,873
5. Exchange Fluctuation Income	4.22	99,107,064	89,962,356
Total Operating Income		**1,423,871,832**	**1,239,996,276**
6. Staff Expenses	4.23	315,007,316	230,742,579
7. Other Operating Expenses	4.24	322,543,734	279,959,000
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit/ (Loss) Before Provision for Possible loss		**786,320,782**	**729,294,697**
9. Provision for Possible Losses	4.25	680,861,084	691,189,292
Operating Profit/ (Loss)		**105,459,698**	**38,105,405**
10. Non - Operating Income/(Loss)	4.26	8,801,555	474,233
11. Provision for Possible Loss Written Back	4.27	463,990,143	280,653,368
Profit/ (Loss) from Ordinary Activities		**578,251,396**	**319,233,006**
12. Income/(Expense) from Extra-Ordinary Activities	4.28	(99,070,797)	(16,430,130)
Net Profit/ (Loss) after considering all activities		**479,180,599**	**302,802,876**
13. Provision for Staff Bonus		43,561,873	27,527,534
14. Provision for Income Tax		87,339,158	81,047,251
- Current Year's Tax Provision		96,991,585	88,456,194
- Upto Previous Year's Tax Provision		-	-
- Current Year's Deferred Tax (Income)/Expense		(9,652,427)	(7,408,943)
Net Profit /(Loss)		**348,279,568**	**194,228,091**

Schedules 4.18 to 4.28 are integral part of Profit and Loss Account.

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Profit and Loss Appropriation Account

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
Income:			
1. Accumulated Profit up to Previous Year		1,659,650	4,148,444
2. Current Year's Profit		348,279,568	194,228,091
3. Loss of Former International Leasing & Finance Limited		(26,516,405)	-
4. Profit of Former Unique Finance Limited		10,177,220	-
5. Profit of Former Hama Merchant & Finance Limited		25,849,923	
6. Capital Adjustment Fund		7,214,979	-
7. Transferred from Capital Reserve		562,980,263	-
8. Transfer from investment Adjustment Reserve		3,224,007	5,420,000
9. Transfer from Share Premium		4,666,891	
10. Transfer from Deferred Tax Reserve		11,650,440	
Total		**949,186,536**	**203,796,535**
Expenses:			**-**
1. Accumulated Loss up to Previous Year		-	-
2. Current Year's Loss		-	-
3. General Reserve Fund		69,655,914	38,746,024
4. Contingent Reserve		-	-
5. Institution Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Employees' Related Fund		-	-
8. Proposed Cash Dividend		39,162,069	6,948,086
9. Proposed Issue of Bonus Share		744,079,312	132,013,625
10. Special Reserve Fund		-	-
11. Exchange Fluctuation Fund		3,105,363	692,907
12. Capital Redemption Reserve		-	-
13. Capital Adjustment Fund		12,998,634	22,286,015
14. Deferred Tax Reserve		-	-
15. Investment Adjustment Fund		71,446,762	1,450,228
16. Corporate Social Responsibility Fund		3,482,796	-
17. Staff Capacity Development Fund		70,021	-
Total		**944,000,872**	**202,136,884**
16. Accumulated Profit/ (Loss)		5,185,665	1,659,650

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Statement of Changes in Equity

Financial Year 2073/074 (As of Ashadh End 2074)

Amount in NRS

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve	Capital Reserve Fund	Capital Adjustment Fund	Proposed Bonus Share	Share Premium	Exchange Fluctuation Fund	Staff Capacity Development Fund	Corporate Social Responsibility Fund	Investment Adjustment Reserve	Deferred Tax Reserve	Total Amount
Opening Balance	**3,214,792,881**	**1,659,650**	**216,297,280**	**301,469**	**29,753,179**	**-**	1,077,222	**9,969,253**	**-**	**-**	**1,530,228**		**3,475,381,163**
Adjusted opening Balance	**3,214,792,881**	**1,659,650**	**216,297,280**	**301,469**	**29,753,179**	**-**	1,077,222	**9,969,253**	**-**	**-**	**1,530,228**	**-**	**3,475,381,163**
Transfer from Former International Leasing & Finance Co. Ltd	**1,501,027,166**	**(26,516,404)**	**246,018,515**	**507,772,834**	**-**	**-**	**3,589,669**	**-**	**-**	**-**	**1,025,792**	**2,507,329**	**2,235,424,901**
Transfer From Former Unique Finance Ltd	**249,108,840**	**10,177,220**	**40,446,017**	**27,678,760**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**327,410,837**
Transfer From Former Hama Merchant & Finance Ltd	**220,292,800**	**25,849,923**	**31,253,731**	**27,227,200**	**-**	**-**	**-**	**-**	**-**	**-**	**667,987**	**9,143,111**	**314,434,752**
Transfer from Capital Reserve	**-**	**562,980,263**	**-**	**(562,980,263)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Share Premium	**-**	**4,666,891**	**-**	**-**	**-**	**-**	**(4,666,891)**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Capital Adjustment Fund	**-**	**7,214,979**	**-**	**-**	**(7,214,979)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer From Investment Adjustment Reserve	**-**	**3,224,007**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,224,007)**	**-**	**-**
Net profit/ (Loss) for the year	-	348,279,568	-	-	-	-	-	-	-	-	-	-	348,279,568
Transfer to General Reserve	-	(69,655,914)	69,655,914	-	-	-	-	-	-	-	-	-	-
Capital Adjustment Fund	-	(12,998,634)	-	-	12,998,634	-	-	-	-	-	-	-	-
Investment Adjustment Fund	-	(71,446,762)	-	-	-	-	-	-	-	-	71,446,762	-	-
Proposed Cash Dividend	-	(39,162,069)	-	-	-	-	-	-	-	-	-	-	(39,162,069)
Proposed Issue of Bonus Share	-	(744,079,312)	-	-	-	744,079,312	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	(3,105,364)	-	-	-	-	-	3,105,364	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed issue of Bonus Share	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Right Shares	-	-	-	-	-	-	-	-	-	-	-		-
Deferred Tax Reserve	-	11,650,440	-	-	-	-	-	-	-	-	-	(11,650,440)	-
Staff Capacity Development Fund	-	(70,021)	-	-	-	-	-	-	70,021	-	-	-	-
Corporate Social Responsibility Fund	-	(3,482,796)	-	-	-	-	-	-	-	3,482,796	-	-	-
Closing Balance as at 31 Ashadh 2074	**5,185,221,687**	**5,185,665**	**603,671,457**	**-**	**35,536,834**	**744,079,312**	**-**	**13,074,617**	**70,021**	**3,482,796**	**71,446,762**	**-**	**6,661,769,152**

Cash Flow Statement

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year Rs.	Previous Year Rs.
(A) Cash Flow from Operating Activities	**(2,500,648,977)**	**1,352,570,985**
1. Cash Receipts	**3,482,383,705**	**2,626,468,682**
1.1 Interest Income	3,171,897,329	2,381,708,180
1.2 Commission and Discount Income	87,072,068	67,976,408
1.3 Income from Foreign Exchange Transaction	86,685,613	87,190,730
1.4 Recovery of Written off Loan	18,284,500	-
1.5 Other Income	118,444,195	89,593,364
2. Cash Payments	**(2,815,350,596)**	**(2,046,994,764)**
2.1 Interest Expenses	(2,055,729,272)	(1,415,430,063)
2.2 Staff Expenses	(334,137,647)	(261,814,100)
2.3 Office Operation Expenses	(265,343,091)	(218,347,950)
2.4 Payment of Income Tax	(160,140,586)	(151,402,651)
2.5 Other Expenses	-	-
Cash Flow Before Changes in Working Capital	**667,033,109**	**579,473,918**
Decrease/(Increase) in Current Asset from Operating Activities	**(6,343,484,478)**	**(3,885,507,105)**
1. Decrease/(Increase) in Money at Call and Short Notice	200,000,000	45,000,000
2. Decrease/(Increase) in Other Short Term Investments	(1,912,566,813)	(657,243,419)
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(4,352,151,744)	(3,363,472,513)
4. Decrease/(Increase) in Other Assets	(278,765,921)	90,208,827
Increase/(Decrease) in Current Liabilities from Operating Activities	**3,175,802,392**	**4,658,604,173**
1. Increase /(Decrease) in Deposit Liabilities	2,671,219,605	4,907,598,425
2. Increase /(Decrease) in Certificate of Deposits	-	-
3. Increase /(Decrease) in Short Term Borrowings	418,152,252	(10,484,863)
4. Increase /(Decrease) in Other Liabilities	86,430,535	(238,509,389)
(B) Cash Flow from Investing Activities	**(149,402,969)**	**(118,696,111)**
1. Decrease/(Increase) in Long Term Investments	(101,071,134)	(71,011,400)
2. Decrease/(Increase) in Fixed Assets	(70,774,321)	(47,946,303)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	8,769,551	261,592
5. Others	13,672,935	-
(C) Cash Flow from Financing Activities	**2,869,120,050**	**(12,308,418)**
1. Increase /(Decrease) in Long Term Borrowings (Bond, Debentures)	-	-
2. Increase /(Decrease) in Paid up Share Capital	1,970,428,806	-
3. Increase /(Decrease) in Other Liabilities	895,191,244	(12,308,418)
4. Increase/(Decrease) in Refinance/Facilities received from Nepal Rastra Bank	3,500,000	-
(D) Income/(Expense) from exchange rate change of Cash and Bank Balances	**12,421,451**	**2,771,626**
(E) Net Cash Flow from all activities of the Current Year	**231,489,555**	**1,224,338,083**
(F) Opening Cash and Bank Balances	4,231,813,227	3,007,475,144
(G) Closing Cash and Bank Balances	**4,463,302,782**	**4,231,813,227**

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Schedule 4.1:

Share Capital and Ownership

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Share Capital		
1.1 Authorized Capital	**10,000,000,000**	**10,000,000,000**
a) 100,000,000 Ordinary Shares of Rs 100 each	10,000,000,000	10,000,000,000
b)…. Non-Redeemable Preference Shares of Rs _ each	-	-
B) 10,000,000 Non-redeemable Shares of Rs 100 each		
C) 10,000,000 Redeemable Shares of Rs 100 each		
c)….. Redeemable Preference Shares of Rs _ each	-	-
1.2 Issued Capital	**5,185,221,687**	**3,082,779,256**
a) 5,185,221.69 Ordinary Shares of Rs 100 each	5,185,221,687	3,082,779,256
b)……Non-Redeemable Preference Shares of Rs _ each	-	-
c)……Redeemable Preference Shares of Rs _ each	-	-
1.3 Paid Up Capital	**5,185,221,687**	**3,082,779,256**
a) 5,185,221.69 Ordinary Shares of Rs 100 each	5,185,221,687	3,082,779,256
b)…….Proposed Bonus Shares of Rs _ each	-	-
c)…….Non-Redeemable Preference Shares of Rs _ each	-	-
d)…….Redeemable Preference Shares of Rs _ each	-	-
1.4 Proposed Issue of Bonus Share	**744,079,312**	**132,013,625**
1.5 Calls in Advance	**-**	**-**
1.6 Total Amount (1.3+1.4+1.5)	**5,929,300,999**	**3,214,792,881**

Share Ownership Details	Current Year (Rs.)		Previous Year (Rs.)	
	Percent	Share Capital	Share Capital	Percent
A. Domestic Ownership	**100%**	**5,185,221,687**	**3,082,779,256**	**100%**
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	-	-	-	-
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Institutions	19.22%	996,664,800	150,278,900	4.87%
1.5 Individuals	80.78%	4,188,556,887	2,932,500,356	95.13%
1.6 Others	-	-	-	-
B. Foreign Ownership	**-**	**-**	**-**	**-**
Total	**100%**	**5,185,221,687**	**3,082,779,256**	**100%**

Details of the Shareholders holding 0.5% or more of the Total Shares

S.N.	Name	Current Year			Previous Year		
		No. of Shares	% of holding	Amount in Rs.	No of shares	% of holding	Amount in Rs.
1	Pradeep Jung Pandey	2,270,726	4.38	227,072,600	-	-	-
2	Asian Investment And Trading Company Pvt. Ltd.	2,135,841	4.12	213,584,100	-	-	-
3	Er. Ichchha Raj Tamang	1,997,736	3.85	199,773,600	1,941,813.85	6.30	194,181,385
4	National Life Insurance Company Limited	1,787,984	3.45	178,798,400	-	-	-
5	Yeshaswika International Private Limited	1,776,161	3.43	177,616,100	-	-	-
6	Srijana Shakya Tamang	1,465,818	2.83	146,581,800	1,424,786.85	4.62	142,478,685
7	Vijaya Inernational Pvt. Limited	1,065,132	2.05	106,513,200	-	-	-
8	Prabha Bhimsaria Goenka	1,009,216	1.95	100,921,600	980,966.71	3.18	98,096,671
9	KDB Capital Corporation	784,889	1.51	78,488,900	-	-	-
10	Meena Maharjan	437,143	0.84	43,714,300	424,907.70	1.38	42,490,770
11	Raju Shrestha	352,535	0.68	35,253,500	456,890.00	1.48	45,689,000
12	Tri Ratna Maharjan	352,535	0.68	35,253,500	342,667.50	1.11	34,266,750
13	Amir Ratna Dangol	352,485	0.68	35,248,500	342,667.50	1.11	34,266,750
14	Neesung Foods Pvt. Limited	335,013	0.65	33,501,300	-	-	-
15	Jaya Mahashakti Trade Investment & Supplier Pvt. Ltd.	334,115	0.64	33,411,500	324,763.07	1.05	32,476,307
16	Tanuj Govinda Joshi	301,274	0.58	30,127,400	-	-	-
17	Himalaya Bikram Malla Thakuri	271,772	0.52	27,177,200	264,165.23	0.86	26,416,523
18	Bala Krishna Shrestha	268,040	0.52	26,804,000	-	-	-
19	Prakash Tayal	264,400	0.51	26,440,000	257,000.63	0.83	25,700,063
20	Keshab Lal Shrestha	-	-	-	262,107.16	0.85	26,210,716
21	Joglal Lama	-	-	-	243,636.59	0.79	24,363,659
22	Surendra Kuamr Shrestha	-	-	-	239,296.17	0.78	23,929,617
23	Bahadur Tamang	-	-	-	229,289.10	0.74	22,928,910
24	Babu Kaji Shrestha	-	-	-	202,173.83	0.66	20,217,383
25	Prem Dhoj Lama	-	-	-	189,495.13	0.61	18,949,513
26	Lava Kumar Thapa	-	-	-	170,545.61	0.55	17,054,561
27	Girendra Man Singh Shrestha	-	-	-	166,193.74	0.54	16,619,374
28	Narayan Kumar Shrestha	-	-	-	165,622.62	0.54	16,562,262
29	Neelam Sanghai	-	-	-	159,911.50	0.52	15,991,150
30	Kailash Patindra Amatya	-	-	-	157,912.61	0.51	15,791,261

Note: Shareholders with zero balance in the current year doesn't fall under the 0.50% & above holding thus, the shareholding has been kept as nil.

Schedule 4.2:

Reserves and funds

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. General/Statutory Reserve Fund	603,671,457	216,297,280
2. Capital Reserve Fund	-	1,378,691
a. Share Premium	-	1,077,222
b. Capital Reserve	-	301,469
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	35,536,834	29,753,179
5. Other Reserve & Fund	74,999,579	1,530,228
a. Contingent Reserve	-	-
b. Institution Development Fund	-	-
c. Dividend Equalization Fund	-	-
d. Special Reserve Fund	-	-
e. Assets Revaluation Reserve	-	-
f. Deferred Tax Reserve	-	-
g. Other Free Reserves	-	-
h. Investment Adjustment Reserve	71,446,762	1,530,228
i. Other Reserves	-	-
j. Corporate Social Responsibility Fund	3,482,796	
k. Staff Capacity Development Fund	70,021	
6. Accumulated Profit/(Loss)	5,185,665	1,659,650
7. Exchange Fluctuation Fund	13,074,617	9,969,254
Total	**732,468,153**	**260,588,282**

Schedule 4.3:

Debentures and Bonds

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. ….. % Debentures of Rs…. each	-	-
(Issued on……….with maturity on…….…….)	-	-
(Outstanding balance of Redemption Reserve till date Rs……)	-	-
2. ….. % Bonds of Rs…. each	-	-
(Issued on….. …….with maturity on………….)	-	-
(Outstanding balance of Redemption Reserve till date Rs……)	-	-
3. ………………	-	-
4. Total (1+2+3)	**-**	**-**

Schedule 4.4:

Loans and Borrowings

As at 31 Ashadh 2070 (15 July 2013)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. Local		
1. Government of Nepal	-	-
2. Nepal Rastra Bank	3,500,000	-
3. Repo Obligations	-	-
4. Inter-bank and Financial Institutions	400,000,000	-
5. Other Organized Institutions	-	-
6. Others	-	-
Total	**403,500,000**	**-**
B. Foreign		
1. Banks	-	-
2. Others	-	-
Total	**-**	**-**
C. Total (A+B)	**403,500,000**	**-**

Schedule 4.5 (a):

Deposit Liabilities

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Non-Interest Bearing Accounts		
A. Current Deposits	**1,067,832,762**	**1,079,786,445**
1. Local Currency	**1,052,147,880**	**1,055,495,146**
1.1 Government of Nepal	17,928,028	18,215,716
1.2 "A" Class Licensed Institutions	3,274,371	2,448,999
1.3 Other Licensed Financial Institutions	16,127,313	222,858,708
1.4 Other Organized Institutions	920,573,006	733,597,828
1.5 Individuals	94,245,164	78,373,894
1.6 Others	-	-
2. Foreign Currency	**15,684,882**	**24,291,300**
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	15,663,220	24,280,575
2.5 Individuals	21,662	10,725
2.6 Others	-	-
B. Margin Deposits	**360,818,756**	**325,734,743**
1. Employees' Guarantee	-	-
2. Guarantee Margin	214,807,401	211,970,600
3. Margin on Letter of Credit	115,825,190	95,137,943
4 Others	30,186,165	18,626,200
C. Others	**6,797,598**	**6,276,312**
1. Local Currency	6,797,598	6,276,312
1.1 Financial Institutions	8,393	8,092
1.2 Other Organized Institutions	59,865	34,751
1.3 Individuals	6,729,340	6,233,469
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts (A+B+C)	**1,435,449,116**	**1,411,797,501**

Schedule 4.5 (b):

Deposit Liabilities (Continued)

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
2. Interest Bearing Accounts		
A. Savings Deposits	**5,838,804,794**	**4,721,858,225**
1. Local Currency	**5,797,089,586**	**4,682,048,385**
1.1 Organized Institutions	23,621,157	57,422,013
1.2 Individuals	5,773,468,429	4,624,626,372
1.3 Others	-	-
2. Foreign Currency	**41,715,208**	**39,809,840**
2.1 Organized Institutions	-	-
2.2 Individuals	41,715,208	39,809,840
2.3 Others	-	-
B. Fixed Deposits	**18,677,471,519**	**18,352,577,924**
1. Local Currency	**18,471,171,519**	**18,352,577,924**
1.1 Organized Institutions	10,381,186,131	14,727,080,628
1.2 Individuals	8,089,985,388	3,625,497,297
1.3 Others	-	-
2. Foreign Currency	**206,300,000**	**-**
2.1 Organized Institutions	206,300,000	-
2.2 Individuals	-	-
2.3 Others	-	-
C. Call Deposits	**8,283,517,347**	**7,077,789,522**
1. Local Currency	**8,084,190,732**	**6,714,407,090**
1.1 "A" Class Licensed Institutions	12,890	32,337
1.2 Other Licensed Institutions	3,027,788,067	2,087,726,341
1.3 Other Organized Institutions	4,858,127,996	4,531,296,256
1.4 Individuals	198,261,779	95,352,156
1.5 Others	-	-
2. Foreign Currency	**199,326,615**	**363,382,432**
2.1 "A" Class Licensed Institutions	1,833,566	151,293,437
2.2 Other Licensed Institutions	-	-
2.3 Other Organized Institutions	196,317,328	211,086,123
2.4 Individuals	1,175,721	1,002,871
2.5 Others	-	-
D. Certificate of Deposits	**-**	**-**
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	**32,799,793,660**	**30,152,225,671**
Total Deposits (1+2)	**34,235,242,776**	**31,564,023,171**

Schedule 4.6:

Bills Payable

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency	21,497,143	4,423,129
2. Foreign Currency	1,294,478	216,240
Total	**22,791,621**	**4,639,369**

Schedule 4.7:

Other Liabilities

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Pension/Gratuity Fund	23,707,472	17,556,330
2. Employees' Provident Fund	-	-
3. Employees' Welfare Fund	10,737	10,737
4. Provision for Staff Bonus	43,561,873	27,527,534
5. Interest Payable on Deposits	30,378,834	1,257,383
6. Interest Payable on Borrowings	14,795	-
7. Unearned Discount and Commission	13,372,942	12,556,219
8. Sundry Creditors	125,799,713	64,200,730
9. Branch Adjustment Account		-
10. Deferred Tax Liability	-	-
11. Dividend Payable	44,124,392	17,781,269
12.Others	77,486,061	77,568,295
a. Audit Fees Payable	618,825	362,375
b. IPO Payable	352,188	352,188
c. TDS on interest	51,696,006	30,095,377
d. TDS and Others	5,446,317	8,512,176
e. Miscellaneous Deposit	1,992,962	10,377,480
f. Provision for Staff Leave Encashment	14,591,313	12,345,251
g. Provision for Other Assets	2,788,450	15,523,448
Total	**358,456,820**	**218,458,498**

Schedule 4.8:

Cash Balance

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency (Including Coins)	835,048,604	753,636,916
2. Foreign Currency	6,913,033	9,032,960
Total	**841,961,637**	**762,669,876**

Schedule 4.9:

Balance with Nepal Rastra Bank

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Local Currency	Foreign Currency			Current Year	Previous Year
	NPR	INR	Convertible FCY	Total	Total (Rs.)	(Rs.)
1. Nepal Rastra Bank	**2,990,808,068**	**-**	**13,358,737**	**13,358,737**	**3,004,166,805**	**2,709,150,692**
a. Current Account	2,990,808,068	-	13,358,737	13,358,737	3,004,166,805	2,709,150,692
b. Other Account	-	-	-	-	-	-

Balance as per the confirmation received from NRB is Rs. 3,026,778,014. Difference have been identified, reviewed and reconciled.

Schedule 4.10:

Balance with Banks / Financial Institutions

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Local	Foreign Currency			Current Year	Previous Year
	Currency NPR	INR	Convertible FCY	Total of Foreign Currency	Total (Rs.)	(Rs.)
1. Local Licensed Institutions	**234,703,069**	**-**	**1,891,913**	**1,891,913**	**236,594,982**	**230,352,893**
a. Current Account	234,703,069	-	1,891,913	1,891,913	236,594,982	230,352,893
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	**-**	**106,891,634**	**273,687,724**	**380,579,358**	**380,579,358**	**529,639,767**
a. Current Account	-	106,891,634	273,687,724	380,579,358	380,579,358	529,639,767
b. Other Account	-	-	-	-	-	-
Total	**234,703,069**	**106,891,634**	**275,579,637**	**382,471,271**	**617,174,340**	**759,992,660**

Balance as per the confirmation received from respective banks is Rs. 627,247,713. Difference have been identified, reviewed and reconciled.

Schedule 4.11:

Money at Call and Short Notice

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency	-	200,000,000
2. Foreign Currency	-	-
Total	**-**	**200,000,000**

Schedule 4.12:

Investments

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Purpose		Current Year (Rs.)	Previous Year (Rs.)
	Trading	Others		
1. Government of Nepal - Treasury Bills	-	49,585,427	49,585,427	843,632,808
2. Government of Nepal - Savings Bonds	-	-	-	-
3. Government of Nepal - Other Bonds	-	5,078,460,000	5,078,460,000	2,300,000,000
4. Nepal Rastra Bank Bonds	-	-	-	600,000,000
5. Foreign Securities	-	195,985,000	195,985,000	-
6. Local Licensed Institutions	-	-	-	-
7. Foreign Banks	-	1,093,644,194	1,093,644,194	761,475,000
8. Shares of Organized Institutions	-	180,636,134	180,636,134	79,565,000
9. Bonds & Debentures of Organized Institutions	-	-	-	-
10. Other Investments	-	-	-	-
Total Investment	**-**	**6,598,310,755**	**6,598,310,755**	**4,584,672,808**
Provision	**-**	**14,177,721**	**14,177,721**	**300,000**
Net Investment	**-**	**6,584,133,034**	**6,584,133,034**	**4,584,372,808**

Schedule 4.12(A):

Investments in Shares, Debentures and Bonds

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Cost Price(Rs)	Market Value(Rs)	Provision (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
1. Investment in Shares	**180,636,134**	**752,917,902**	**14,177,721**	**166,458,413**	**79,265,000**
1.1 Nepal Clearing House Limited					-
51,303 Ordinary Shares of Rs. 100 Paid up	5,130,300	-	-	5,130,300	2,753,600
1.2 General Insurance Company (Pvt. Ltd. / Ltd.)					
3,000 Ordinary Shares Per Share 100 Paid Up	300,000	-	300,000	-	-
1.3 Civil Capital Markets Ltd					
535,500 Ordinary Shares Per Share 130 Paid Up	69,615,000	-	-	69,615,000	69,615,000
1.4 Mahila Saha Yatra Micro Finance Bitiya Sanstha Ltd					
40,000 Ordinary Shares Per Share 100 Paid Up	4,000,000	46,400,000	-	4,000,000	4,000,000
1.5 Jalvidhyut Lagani Tatha Bikas Company Ltd					
31,860 Ordinary Shares Per Share 100 Paid Up	3,186,000	6,276,420.00	-	3,186,000	2,896,400
1.6 Civil Microfinance Bittiya Sanstha Ltd					
510,000 Ordinary Shares Per Share 100 Paid Up	51,000,000	664,020,000	-	51,000,000	-
1.7 Nabil Equity Fund					
1,126,504 Ordinary Shares Per Share 100 Paid Up	11,265,040	11,265,040	-	11,265,040	-
1.8 Credit Information Bureau					
1,250 Ordinary Shares Per Share 100 Paid Up	125,000	-	-	125,000	-
1.9 Nepal Life Insurance Company Ltd					
1,741 Ordinary Shares Per Share 1,425 Paid Up (Bonus Share 435)	2,480,924	4,674,048	-	2,480,924	-
1.10 Mero Microfinance Bittiya Sanstha Ltd					
41 Ordinary Shares Per Share 100 Paid Up (Bonus Share 4)	4,100	99,180	-	4,100	-
1.11 Khanikhola Hydropower Company Ltd					
16 Ordinary Shares Per Share 100 Paid Up	1,600	3,328	-	1,600	-
1.12 National Microfinance Bittiya Sanstha Ltd					
19 Ordinary Shares Per Share 100 Paid Up	1,900	32,566	-	1,900	-
1.13 RSDC Laghubitta Bittiya Sanstha Ltd					
14 Ordinary Shares Per Share 100 Paid Up (Bonus Share 2)	1,400	47,200	-	1,400	-
1.14 Suryodaya Laghubitta Bittiya Sanstha Ltd					
10 Ordinary Shares Per Share 100 Paid Up	1,000	6,720	-	1,000	-
1.15 Arun Kagbeli Power Company Ltd					
295 Ordinary Shares Per Share 100 Paid Up	29,500	120,655	-	29,500	-
1.16 Synergy Power Company Ltd					
587 Ordinary Shares Per Share 100 Paid Up	58,700	142,641	-	58,700	-
1.17 Forward Microfinance Bittiya Sanstha Ltd					
26 Ordinary Shares Per Share 100 Paid Up	2,600	83,746	-	2,600	-
1.18 United Modi Hydropower Company Ltd					
337 Ordinary Shares Per Share 100 Paid Up	33,700	114,917	-	33,700	-
1.19 Chilimepower Company Ltd					
11,982 Ordinary Shares Per Share 1,776.46 Paid Up	21,285,514	9,561,636	11,723,878	9,561,636	-
1.20 Soaltee Hotel					
1,000 Ordinary Shares Per Share 603.886 Paid Up (Bonus Share 100)	603,887	397,100	206,787	397,100	-
1.21 Laxmi Value Fund I					
100,000 Ordinary Shares Per Share 16.575 Paid Up	1,657,517	1,225,000	432,516	1,225,001	-
1.22 Nepal Life Insurance Company Ltd					
700 Ordinary Shares Per Share 3,921.69 Paid Up (Bonus Share 175)	2,745,183	1,879,500	865,683	1,879,500	-
1.23 National Life Insurance Company Ltd					
1,297 Ordinary Shares Per Share 2623.84 Paid Up	3,403,116	2,983,100	420,016	2,983,100	-
1.24 NLG Insurance Company Ltd					
933 Ordinary Shares Per Share 1,730.27 Paid Up	1,614,346	1,385,505	228,841	1,385,505	-
1.25 Prudential Insurance Company Ltd					
1,300 Ordinary Shares Per Share 1,607.54 Paid Up (Bonus Share 260)	2,089,807	2,199,600	-	2,089,807	-
2. Investment in Debentures and Bonds	**-**	**-**	**-**	**-**	**-**
2.1 ………….. Company (Pvt. Ltd. / Ltd.)					
…….. % Debenture/Bond per Debenture/Bond Per …. Paid up		-	-	-	
		-	**-**	**-**	
Total Investment	**180,636,134**	**752,917,902**	**14,177,721**	**166,458,413**	**79,265,000**
3. Provision for Loss	**-**	**-**	**-**	**14,177,721**	**300,000**
3.1 Up to Previous Year	-	-	-	300,000	300,000
3.2 Adjustment This Year	-	-	-	13,877,721	-
Total Provision	**-**	**-**	**-**	**14,177,721**	**300,000**
Net Investment	**180,636,134**	**752,917,902**	**-**	**166,458,413**	**79,265,000**

Schedule 4.12.1:

Investments (Held For Trading)

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Cost Price (Rs)	Previous Market Value(Rs) (A)	Current Market Value (Rs) (B)	Current s Year Profit/(Loss) (B-A)	Previous Year Profit/ (Loss)	Remarks
1. Government of Nepal - Treasury Bills	-	-	-	-	-	-
2. Government of Nepal - Savings Bonds	-	-	-	-	-	-
3. Government of Nepal - Other Bonds	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Securities	-	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-	-
7. Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	-
8. Shares,Bonds & Debenture of Organized Institutions	-	-	-	-	-	-
9. Placement	-	-	-	-	-	-
10. Inter bank Lending	-	-	-	-	-	-
11. Other Investment	-	-	-	-	-	-
Total Investment	**-**	**-**	**-**	**-**	**-**	**-**

Schedule 4.12.2:

Investments (Held To Maturity)

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Cost Price (A)	Accumulated Loss till date (B)	Current Yr Loss (C)	Current s Year Profit/(Loss) (A-B-C)	Previous Year Profit/(Loss) (Rs.)	Remarks
1. Government of Nepal - Treasury Bills	49,585,427	-	-	-	-	
2. Government of Nepal - Savings Bonds	-	-	-	-	-	
3. Government of Nepal - Other Bonds	5,078,460,000	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Securities	195,985,000	-	-	-	-	
6. Shares of Local Licensed Institutions	-	-	-	-	-	
7. Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	
8. Shares,Bonds & Debenture of Organized Institutions	-	-	-	-	-	
9. Placement	1,093,644,194	-	-	-	-	
10. Other Investment	-	-	-	-	-	
Total Investment	**6,417,674,621**	**-**	**-**	**-**	**-**	

Schedule 4.12.3:

Investments (Available for Sale)

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Cost Price(Rs)	Previous Market Value(Rs) (A)	Current Market Value(Rs) (B)	Current Year's Adjustment Fund (B-A)	Previous Year Profit/ (Loss)	Remarks
1. Government of Nepal - Treasury Bills	-	-	-	-	-	
2. Government of Nepal - Savings Bonds	-	-	-	-	-	
3. Government of Nepal - Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Securities	-	-	-	-	-	
6. Shares of Local Licensed Institutions	-	-	-	-	-	
7. Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	
8. Shares,Bonds & Debenture of Organized Institutions	180,636,134	-	-	-	-	
9. Placement	-	-	-	-	-	
10. Inter bank Lending	-	-	-	-	-	
11. Other Investment	-	-	-	-	-	
Total Investment	**180,636,134**	**-**	**-**	**-**	**-**	

Schedule 4.13:

Classification of Loans, Advances and Bills Purchased and Provisioning

As at 31 Ashadh 2070 (15 July 2013)

Particulars	Loan and Advances					Bills Purchased & Discounted			Current Year (Rs.)	Previous Year (Rs.)
	Domestic			Foreign	Total	Domestic	Foreign	Total		
	Deprived Sector		Others							
	Insured	UnInsured								
1. Performing Loan	**-**	**1,596,044,619**	**27,532,892,582**	**9,250,734**	**29,138,187,935**	**30,123,870**	**490,252,347**	**520,376,217**	**29,658,564,152**	**25,338,304,828**
1.1 Pass loans	-	1,592,429,403	26,604,255,246	9,250,734	28,205,935,383	30,123,870	490,252,347	520,376,217	28,726,311,600	23,448,871,401
1.2 Watch List	-	3,615,216	928,637,336	-	932,252,552	-	-	-	932,252,552	1,889,433,426
2. Non Performing Loan	**-**	**9,842,842**	**1,212,797,718**	**-**	**1,222,640,560**	**-**	**-**	**-**	**1,222,640,560**	**1,190,748,138**
2.1 Restructured/Rescheduled	-	-	-	-	-	-	-	-	-	120,075,496
2.2 Sub Standard	-	2,552,751	185,597,604	-	188,150,355	-	-	-	188,150,355	296,244,550
2.3 Doubtful	-	3,661,829	93,205,610	-	96,867,439	-	-	-	96,867,439	304,688,421
2.4 Bad		3,628,262	933,994,504	-	937,622,766	-	-	-	937,622,766	469,739,669
A. Total Loans	**-**	**1,605,887,461**	**28,745,690,300**	**9,250,734**	**30,360,828,495**	**30,123,870**	**490,252,347**	**520,376,218**	**30,881,204,712**	**26,529,052,966**
3. Loan Loss Provision	**-**									
3.1 Pass	-	15,924,294	267,201,095	92,507	283,217,896	301,239	4,902,523	5,203,762	288,421,658	256,760,593
3.2 Watch List	-	180,761	46,431,867	-	46,612,628	-	-	-	46,612,628	75,577,337
3.3 Restructured/Rescheduled	-	-	-	-	-	-	-	-	-	15,009,437
3.4 Sub Standard	-	638,188	47,861,927	-	48,500,115	-	-	-	48,500,115	74,061,138
3.5 Doubtful	-	1,830,914	46,602,805	-	48,433,717	-	-	-	48,433,717	152,344,211
3.6 Bad	-	3,628,261	933,994,504	-	937,622,765	-	-	-	937,622,765	469,739,669
B. Total Provisions	**-**	**22,202,418**	**1,342,092,198**	**92,507**	**1,364,387,121**	**301,239**	**4,902,523**	**5,203,762**	**1,369,590,883**	**1,043,492,386**
4. Provision upto Previous year										
4.1 Pass	-	13,219,531	240,614,823	285,744	254,120,098	388,360	2,252,135	2,640,495	256,760,592	208,377,320
4.2 Watch List	-	164,272	75,401,365	-	75,565,637	11,700	-	11,700	75,577,337	36,957,394
4.2 Restructured/Rescheduled	-	-	15,009,437	-	15,009,437	-	-	-	15,009,437	-
4.3 Sub Standard	-	525,106	73,536,031	-	74,061,137	-	-	-	74,061,137	103,269,642
4.4 Doubtful	-	1,290,375	151,053,836	-	152,344,211	-	-	-	152,344,211	46,475,870
4.5 Bad	-	4,418,978	463,320,692	-	467,739,670	2,000,000	-	2,000,000	469,739,670	236,304,744
C. Total Provision upto Previous year	**-**	**19,618,262**	**1,018,936,184**	**285,744**	**1,038,840,190**	**2,400,060**	**2,252,135**	**4,652,195**	**1,043,492,384**	**631,384,970**
D. Write back from last year provision	**-**	**7,095,252**	**436,840,592**	**58,988**	**443,994,832**	**2,400,060**	**2,252,135**	**4,652,195**	**448,647,027**	**279,081,877**
E. Provision Transferred from ILFCO	**-**	**1,202,500**	**195,584,471**	**-**	**196,786,971**	**-**	**-**	**-**	**196,786,971**	**-**
F. Provision Transferred from Unique	**-**	**296,000**	**11,312,838**	**-**	**11,608,838**	**-**	**-**	**-**	**11,608,838**	**-**
G. Provision Transferred from Hama	**-**	**225,000**	**16,214,753**	**-**	**16,439,753**	**-**	**-**	**-**	**16,439,753**	**-**
H. Additional Provision during this year	**-**	**7,955,908**	**536,884,544**	**(134,251)**	**544,706,201**	**301,240**	**4,902,523**	**5,203,763**	**549,909,964**	**691,189,292**
Net Change this year	**-**	**860,656**	**100,043,952**	**(193,237)**	**100,711,371**	**(2,098,820)**	**2,650,388**	**551,568**	**101,262,939**	**412,107,415**
Net Loan (A-B)	**-**	**1,583,685,043**	**27,403,598,102**	**9,158,227**	**28,996,441,372**	**29,822,631**	**485,349,824**	**515,172,455**	**29,511,613,828**	**25,485,560,581**

Schedule 4.13(A):

Securities Against Loan, Advance and Bills Purchased

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(A) Secured	**30,881,204,712**	**26,529,052,966**
1. Collateral of Movable/Immovable Assets	28,580,230,034	24,433,962,196
2. Guarantee of Local Licensed Institutions	846,286,478	962,474,487
3. Guarantee of Government of Nepal	1,487,946	1,499,913
4. Guarantee of Internationally Rated Banks	-	-
5. Collateral of Export Documents	-	-
6. Fixed Deposit Receipts	144,540,536	21,626,000
(a) Own FDR	144,540,536	21,626,000
(b) FDR of other Banks & Financial Institutions	-	-
7. Government Bonds	-	-
8. Counter Guarantees	-	-
9. Personal Guarantees	11,292,714	15,004,484
10. Other Securities	1,297,367,005	1,094,485,886
(B) Unsecured	**-**	**-**
Total	**30,881,204,712**	**26,529,052,966**

Schedule 4.14:

Fixed Assets

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Assets					Current Year (Rs.)	Previous Year (Rs.)
	Building	Vehicles	Machinery	Office Equipment	Others		
1. At Cost Price							
a. Previous year's balance	-	45,617,081	46,529,673	222,978,471	64,876,557	380,001,782	414,490,396
Balance Carry Forward from Merged Institutions	-						
1. International Leasing & Finance Co. Ltd	-	21,381,161	5,492,274	57,842,587	13,096,907	97,812,929	-
2. Unique Finance Ltd	-	106,519	-	581,026	-	687,545	-
3. Hama Merchant & Finance Ltd	-	1,727,219	884,276	8,681,116	39,550	11,332,162	-
b. Addition for the year	-	-	-	17,482,889	7,910,988	25,393,877	32,701,278
c. Revaluation/ Write back for the year	-	-	-	-	-	-	-
d. Sold/Amortization during the year	-	(2,000,000)	-	(1,607,305)	(4,944,947)	(8,552,252)	(67,161,795)
e. Written off during the year	-	-	-	-	-	-	(28,097)
Total Cost (a+b+c+d+e)	**-**	**66,831,980**	**52,906,223**	**305,958,784**	**80,979,055**	**506,676,044**	**380,001,782**
2. Depreciation							
a. Up to previous year	-	24,422,175	21,554,937	111,234,355	42,567,273	199,778,740	194,770,004
Balance Carry Forward from Merged Institutions	-						
1. International Leasing & Finance Co. Ltd	-	15,721,359	4,667,113	47,681,331	-	68,069,804	-
2. Unique Finance Ltd	-	-	-	-	-	-	-
3. Hama Merchant & Finance Ltd	-	1,447,897	721,711	7,629,353	35,591	9,834,551	-
b. For the year	-	3,702,017	3,832,405	19,104,699	8,788,342	35,427,463	39,004,813
c. Depreciation on revaluation/ written back	-	-	-	-	-	-	-
d. Depreciation adjustment/ written off	-	(966,400)	-	(1,101,651)	(4,944,947)	(7,012,998)	(33,996,077)
Total Depreciation (a+b+c+d)	**-**	**44,327,048**	**30,776,166**	**184,548,087**	**46,446,259**	**306,097,560**	**199,778,740**
3. Written Down Value (1-2)	**-**	**22,504,932**	**22,130,057**	**121,410,697**	**34,532,796**	**200,578,484**	**180,223,042**
4. Land	-	-	-	-	-	-	-
5. Capital Construction (To be capitalized)	-	-	-	-	-	-	-
6. Leasehold Assets	-	-	-	-	-	78,585,889	82,577,148
Total (3+4+5+6)	**-**	**22,504,932**	**22,130,057**	**121,410,697**	**34,532,796**	**279,164,373**	**262,800,190**

Schedule 4.15:

Non-Banking Assets

As at 31 Ashadh 2074 (15 July 2017)

Name & Address of Borrower or Party	Date of Assuming Non-Banking Assets Non Banking	Total Non-Banking Assets (Rs.)	Loss Provisions		Net Non-Banking Assets (Rs.)	Previous Year (Rs.)
			%	Amount		
Deepak Bahadur Mishra	2066-03-13	281,495	100	281,495	-	-
Poonam B K	2068-03-32	476,844	100	476,844	-	-
Sai Associates	2073-10-18	53,436,000	100	53,436,000	-	-
Everest Floriculture P. Ltd.	2071-03-32	21,856,952	100	21,856,952	-	-
Kushal Agrotech P. Ltd.	2072-03-31	46,151,459	100	46,151,459	-	-
Kishore Kumar Koirala	2071-02-23	18,000	100	18,000	-	-
Sain Trading Pvt Ltd	2074-03-31	41,892,536	100	41,892,536	-	-
Asian Drinks Pvt Ltd	2074-03-31	28,152,064	100	28,152,064	-	-
Krishna Kumar Karki	2074-03-31	7,470,520	100	7,470,520	-	-
Grand Total		**199,735,870**		**199,735,870**	**-**	**-**

Schedule 4.16:

Other Assets

As at 31 Ashadh 2074 (15 July 2017)

Particulars		Current Year (Rs.)	Previous Year (Rs.)
1. Stationery Stock		6,061,638	5,254,153
2. Income Receivable on Investments		48,731,388	29,283,069
3. Accrued Interest on Loans	471,921,911	41,243,753	74,431,568
Less: Interest Suspense	430,678,158	-	-
4. Commission Receivable		-	-
5. Sundry Debtors		56,958,922	6,768,931
6. Staff Loans and Advances		219,464,139	176,829,305
7. Pre-payments		59,104,497	32,824,184
8. Cash-in-Transit		-	-
9. Other Transit Items (including cheques)		-	-
10. Drafts Paid Without Notice		-	-
11. Expenses not Written Off		-	-
12. Branch Adjustment Accounts		12,988	-
13. Deferred Tax Assets		22,341,886	1,039,019
14. Others		428,789,210	178,473,251
a. Coin and Valuable		1,635,965	1,563,096
b. Account Receivable Other		198,682,165	27,800,827
c. Advance Income Tax (net of provision)		212,110,462	148,961,461
d. Receivable NRB		2,796	147,867
e. Interest Receivable on Staff Home Loans		16,357,822	-
Total		**882,708,421**	**504,903,480**

Schedule 4.16 (A):

Other Assets (Additional Statement)

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)				Previous Year (Rs.)
	Up to 1 year	1 to 3 years	Above 3 years	Total	
1. Accrued Interest on Loans	339,157,288	66,249,070	66,515,553	471,921,911	295,820,624
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Local/Foreign Agency Balance	-	-	-	-	-

Schedule 4.17:

Contingent Liabilities

As at 31 Ashadh 2074 (15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Claims on Bank but not Acknowledged Liabilities by the Bank	-	-
2. Letters of Credit (Full Amount)	2,566,257,888	1,653,769,970
a. With Maturity Less than 6 Months	1,094,005,600	752,482,439
b. With Maturity More than 6 Months	1,472,252,288	901,287,531
3. Rediscounted Bills	-	-
4. Un-matured Guarantees/Bonds	1,776,302,306	1,498,170,028
a. Bid Bonds	162,093,435	177,936,270
b. Performance Bonds	1,614,208,871	1,320,233,758
c. Other Guarantee/Bonds	-	-
5. Unpaid Amount on Investment in Shares	-	-
6. Outstanding Liabilities of Forward Exchange Contract	56,155,650	133,068,491
7. Bills for Collection	62,425,403	238,688
T/C Collection	-	-
Cheque Collection	30,218,028	127,938
Document Collection	32,207,375	110,750
8. Acceptances and Endorsements	417,006,283	523,768,841
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	849,679,463	1,006,271,343
11. Guarantees issued against CG of Internationally Rated Foreign Banks	491,687,482	572,523,602
12. Advance Payment Guarantees	451,770,280	563,140,595
13. Financial Guarantees	-	-
14. Contingent Liabilities on Income Tax	72,256,699	33,540,210
15. Others	-	-
Total	**6,743,541,454**	**5,984,491,768**

Schedule 4.18:

Interest Income

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. On Loans, Advances and Overdrafts	**3,013,246,896**	**2,351,107,499**
1. Loans and Advances	2,288,341,763	1,738,508,444
2. Overdrafts	724,905,133	612,599,055
B. On Investment	**170,080,546**	**41,949,390**
1. Securities of Government of Nepal	**170,080,546**	**41,905,834**
a. Treasury Bills	6,156,615	10,694,334
b. Development Bonds	162,690,638	31,211,500
c. National Savings Certificates	1,233,293	-
2. Foreign Securities	**-**	**-**
a. ……………….		
b. ………………		
3. Bonds of Nepal Rastra Bank	**-**	**43,556**
4. Debentures and Bonds	**-**	**-**
5. Interest on Interbank Investments	**-**	**-**
a. Bank/ Financial Institutions	-	-
b. Other Institutions	-	-
C. On Agency Balances	**1,031,009**	**982,768**
1. Local Banks/Financial Institutions	759	6,749
2. Foreign Banks	1,030,250	976,019
D. On Money at Call and Short Notice	**19,563,335**	**8,440,830**
1. Local Banks/Financial Institutions	19,563,335	8,440,830
2. Foreign Banks	-	-
E. On Others	**3,781,683**	**7,193,728**
1 Certificates of Deposit	-	-
2. Inter Banks/Financial Institutions Loan	-	-
3 Others	3,781,683	7,193,728
Total	**3,207,703,470**	**2,409,674,215**

Schedule 4.19:

Interest Expenses

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. On Deposit Liabilities	**2,071,384,202**	**1,411,439,868**
1. Fixed Deposits	**1,457,100,644**	**983,688,184**
1.1 Local Currency	1,455,993,058	981,849,148
1.2 Foreign Currency	1,107,586	1,839,036
2. Savings Deposits	**214,380,990**	**171,333,514**
2.1 Local Currency	213,127,608	170,531,903
2.2 Foreign Currency	1,253,382	801,611
3. Call Deposits	**399,902,568**	**256,418,170**
3.1 Local Currency	392,678,161	248,617,834
3.2 Foreign Currency	7,224,407	7,800,336
4. Certificate of Deposits	**-**	**-**
B. On Borrowings	**13,481,315**	**3,373,708**
1. Debentures & Bonds	-	-
2. Loan from Nepal Rastra Bank	742,575	-
3. Inter Bank/Financial Institutions Borrowings	12,738,740	3,373,708
4. Other Organized Institutions	-	-
5. Other Loans	-	-
C. On Others	**-**	**-**
Total	**2,084,865,517**	**1,414,813,576**

Schedule 4.20:

Commisssion and Discounts

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. Bills Purchased and Discounted	**2,544,176**	**4,467,989**
1. Domestic	2,544,176	4,467,989
2. Foreign	-	-
B. Commission	**76,238,143**	**58,637,312**
1. Letter of Credit	27,799,568	19,449,693
2. Guarantees	32,409,912	28,694,969
3. Collection Fees	3,916,995	3,166,664
4. Remittance Fees	4,492,040	5,777,390
5. Credit Cards	-	-
6. Share Underwriting / Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	7,619,628	1,548,596
9. Exchange Fee	-	-
C. Others	**8,289,749**	**4,871,107**
1. TC Sales/Purchase Commission	-	-
2. Credit Agency Commission	700,000	303,610
3. Commission on NRB Securities	51,982	135,691
4. Insurance Agency Commission	82,913	287,140
5. Other Fees and Commission	788,255	259,905
6. Branchless Banking Commission	17,723	18,785
7. Commission on Gold and Silver	6,648,876	1,453,024
Total	**87,072,068**	**67,976,408**

Schedule 4.21:

Other Operating Income

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Rent from Safe Deposit Lockers	713,950	593,200
2. Issue and Renewal of Credit Cards	-	-
3. Issue and Renewal of ATM Cards	12,754,601	12,047,447
4. Telex/ T. T./ Swift Charges	4,031,005	3,192,453
5. Service Charges	75,548,726	54,808,784
6. Renewal Fees	6,485,894	5,223,733
7. Others	15,320,570	11,331,256
Total	**114,854,747**	**87,196,873**

Schedule 4.22:

Exchange Fluctuation Gain/Loss

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
a. Revaluation Gain	12,421,451	2,771,626
b. Trading Gain (Except Exchange Fees)	86,685,613	87,190,730
Total	**99,107,064**	**89,962,356**

Schedule 4.23:

Employees Expenses

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Salary	152,413,334	120,682,954
2. Allowances	117,321,532	72,494,644
3. Contribution to Provident Fund	14,364,598	11,245,880
4. Training Expenses	6,852,257	1,871,703
5. Uniform	2,964,242	2,369,600
6. Medical	-	-
7. Insurance	2,573,940	1,939,785
8. Pension and Gratuity Provision	7,105,354	9,682,590
9. Others	11,412,059	10,455,424
i. Staff Leave Enscashment	6,989,817	6,530,522
ii. Staff Amenities	3,874,087	3,447,145
iii. Others	548,155	477,757
Total	**315,007,316**	**230,742,579**

Schedule 4.24:

Other Operating Expenses

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. House Rent	71,150,471	61,470,286
2. Light, Electricity and Water	10,768,220	6,937,584
3. Repairs and Maintenance	5,789,740	4,956,452
a. Building	-	-
b. Vehicles	1,702,836	975,763
c. Others	4,086,904	3,980,689
4. Insurance	4,847,645	4,528,090
5. Postage, Telex, Telephone, Fax	7,387,855	6,486,305
6. Office Equipment, Furniture & Repair	259,462	351,288
7. Travelling Allowance and Expenses	2,689,172	2,850,694
8. Printing and Stationery	8,730,194	7,059,213
9. Books and Periodicals	825,562	365,182
10. Advertisements	11,605,512	6,712,346
11. Legal Expenses	726,225	22,601
12. Donations	-	-
13. Expenses Relating to Board of Directors	2,316,974	1,497,857
a. Meeting Fees	1,828,000	1,292,000
b. Other Expenses	488,974	205,857
14. General Meeting Expenses	1,507,312	1,201,059
15. Expenses Relating to Audit	908,844	597,941
a. Audit Fees	627,150	367,250
b. Other Expenses	281,694	230,691
16. Commission on Remittances	-	-
17. Depreciation on Fixed Assets	54,295,453	54,452,012
18. Written off- Pre-operating Expenses	-	-
19. Share Issue Expenses	-	-
20. Professional Fees	3,399,207	1,297,646
21. Entertainment	678,166	182,182
22. Amortization Expenses	2,758,498	-
23. Security Expenses	34,900,019	26,792,483
24. Credit Guarantee Premium	-	-
25. Commission and Discount	11,070	-
26. Others Expenses	96,988,133	92,197,780
a. Annual Maintenance Expense	12,701,664	11,677,975
b. Maintenance Office Cleaning	5,491,057	4,074,710
c. Branch, SCT and NP Connectivity Expense	9,707,426	9,295,694
d. Subscription Reuters	1,544,598	1,514,583
e Publicity & Business Promotion	8,920,638	5,223,065
f. New Product Launch	1,486,838	1,376,351
g. Sponsorship	1,178,862	1,299,136
h. Janitorial Expense	509,668	369,967
i. Deposit Guarantee Expense	5,053,850	3,481,536
j. Credit Information Bureau Expense	-	-
k. Registration fees & Charges	4,672,511	3,220,797
l. ATM related Exepense	2,297,280	1,318,621
m. Fuel for Generator Expenses	3,555,992	6,995,283
n. Fuel for Vehicle Expenses	7,284,064	5,217,678
o. Corporate Social Responsibility	50,000	-
p. Corporate Social Responsibilty- Natural Disaster (EQ)	-	-
q. Master Card Related Expenses	6,476,916	14,124,796
r. Others	26,056,769	23,007,587
Total	**322,543,734**	**279,959,000**

Schedule 4.25:

Provision for Possible Loss

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Increase in Loan Loss Provision	549,909,964	691,189,292
2. Increase in Provision for Loss on Investment	-	-
3. Provision for Non Banking Assets	130,951,120	-
4. Provision for other Assets	-	-
Total	**680,861,084**	**691,189,292**

Schedule 4.26:

Non Operating Income/ (Loss)

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Profit (Loss) on Sale of Investments	-	825,000
2. Profit (Loss) on Sale of Assets	32,004	(612,359)
3. Dividend	8,769,551	261,592
4. Subsidies Received from Nepal Rastra Bank	-	-
a. Reimbursement of Losses of Specified Branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
5. Others	-	-
a. Pre-operating Income	-	-
Total	**8,801,555**	**474,233**

Schedule 4.27:

Loss Provision Written Back

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Loan Loss Provision Written Back	448,647,027	279,081,877
2. Provision for Non Banking Assets Written Back	13,672,935	-
3. Provision for Investment Written Back	670,181	-
4. Provision for Other Assets Written Back	1,000,000	1,571,491
Total	**463,990,143**	**280,653,368**

Schedule 4.28:

Income / (Expenses) from Extra-Ordinary Items

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Recovery of Loan Written off	18,284,500	-
2. Voluntary Retirement Scheme Expenses	-	-
3. Unrecoverable Loan Written Off (Schedule 4.28 A)	(120,944,746)	(3,928,220)
4. Other Expense/Income	3,589,449	-
5. Fixed Assets Written off	-	(12,501,911)
Total	**(99,070,797)**	**(16,430,130)**

Schedule 4.28 A:

Details of Loans Written-off

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

S. No.	Types of Loan	Write off Amount (Rs.)	Type of Security & Amount (Rs.)	Basis of Valuation of Collateral	Loan approved by Name/ designation	Initiations made for Recovery	Remarks
1	Working Capital Loan	3,138,493	Land/ Amount 35,590,000.00	70% of Market Value & 30% of Government Value	Chief Executive Officer	Verbal, telecommunication, 7 days internal notice, 35 days internal notice, 35 days public notice published in Annapurna Newspaper, 7/7/7/7/7/7 days auction notice published in Naya Patrika, Naya Patrika, Nagrik, Annapurna, Aarthik Abhiyan and Karobar Newspaper.	Partial settle through Auction
		88,888,460	Land & Buliding/ Amount 44,260,000.00	70% of Market Value & 30% of Government Value	Chief Executive Officer	Followup through mail and phone, Issued 7/7 days internal notice, 35 days public notice published in Kantipur Newspaper, 15/15/35/7/7/7 days auction notice published in Kantipur, Annapurna, Kantipur, Nagrik, Rajdhani, Naya Patrika and Karobar Newspaper.	Partial settle through NBA
		21,500,000	Land/Amount 18,620,000.00	70% of Market Value & 30% of Government Value	Chief Executive Officer	Verbal, telecommunication, 30 days internal notice, 35 days internal notice, 35 days public notice published in Aarthik Abhiyan, 15 days auction notice Karobar newspaper, 15 days auction notice published in Karobar Newspaper and 35 days auction notice published in Annapurna Newspaper	Partial settle through Amicable
2	Project Loan						
3	Fixed Capital/ Term Loan	118,570	Vehicle	Internal Valuation		Verbal, telecommunication, 7 days internal notice, 35 days internal notice, 35 days public notice published in Nagrik Newspaper, 35/ days auction notice Anapurna post and 15 days auction notice published in Karobar Newspaper.	Partial settle through Auction
		4,526,603	Vehicle	70% of the Invoice Amount	Chief Executive Officer	Verbal, telecommunication, 7/35 days internal notice, 35 days public notice published in Nagrik Newspaper, 35/7/7 days auction notice Nagrik, Paradarshi Newspaper.	Partial settle through Auction
		850,292	Vehicle	Internal Valuation	General Manager of Former Axis Development Bank	Verbal, telecommunication, 15 days internal notice, 15 days internal notice, 35 days public notice published in Nagrik Newspaper, 35 days public notice in Karobar Newspaper.	-
4	Personal Loan	902,227	Vehicle	70% of the Invoice Amount	General Manager of Former Axis Development Bank	Verbal, telecommunication, 15/15 days internal notice, 35 days public notice published in Nagrik Newspaper, 35 days public notice in Karobar Newspaper.	
		1,020,101	Vehicle	80% of the Invoice Amount	General Manager of Former Axis Development Bank	Verbal, telecommunication, 7/15/7/7 days internal notice, 35 days public notice published in Nagrik Newspaper, 35 days public notice Karobar Newspaper.	
Total		**120,944,746**	-	-	-	-	-

Schedule 4.29:

Statement of Loans and Advances Extended to Directors/ CEO/ Promoters/Employees and Shareholders holding more than 1 percent shares

As at 31 Ashadh 2074 (15 July 2017)

The Statement of amount, included under total amount of Bills purchased and Discounted, Loans, Advances and Overdraft, provided to Directors, Chief Executives, Promoters, Employees, Shareholders holding more than 1% shares and to the individual member of their undivided family or against the guarantee of such persons or to the Organization or Companies in which such individuals are managing agent, are as follows:

Name of Promoter/Director/ Chief Executive	Last Year's Balance		Current Year's Recovery		Addition Loan During Current Year	Balance as of Ashadh End 2070	
	Principal	Interest	Principal	Interest		Principal	Interest
(A) Directors	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(B) Chief Executives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. CEO	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(C) Promoters	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(D) Employees	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(E) Shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: The Staff Advance provided to the employees as per Bank's Policies are classified as Other Assets in Schedule 4.16

Schedule 4.30 (A):

Table of Capital Fund

As of F/Y - 2073/074 (2016/2017)

Amount in '000 s

1. 1 RISK WEIGHTED EXPOSURES		Ashadh End 2074	Previous Year
a	Risk Weighted Exposure for Credit Risk	31,778,939	28,201,284
b	Risk Weighted Exposure for Operational Risk	2,013,994	1,293,248
c	Risk Weighted Exposure for Market Risk	47,946	98,880
Total Risk Weighted Exposures (Before adjustments of Pillar II)		**33,840,879**	**29,593,412**
Adjustments under Pillar II			
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	9,949	8,507
SRP 6.4a (6)	Add .....% of the total deposit due to insufficient Liquid Assets	-	-
SRP 6.4a (7)	Add RWE equvalent to reciprocal of capital charge of 5 % of gross income.	816,580	451,607
SRP 6.4a (9)	Overall risk management policies and precedures are not satisfactory. Add 4% of RWE	1,353,635	591,868
SRP 6.4a (10)	If desired level of disclosure requirement has not been achieved, Add .....% of RWE	-	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		**36,021,043**	**30,645,394**

1.2 CAPITAL		Ashadh End 2074	Previous Year
(A) Core Capital (Tier 1)		**6,430,738**	**3,392,730**
a	Paid up Equity Share Capital	5,185,222	3,082,779
b	Irredeemable Non-cumulative preference shares	-	-
c	Share Premium	-	1,077
d	Proposed Bonus Equity Shares	744,079	132,014
e	Statutory General Reserves	603,671	216,297
f	Retained Earnings	5,186	1,162
g	Un-audited current year cumulative profit/(loss)	-	-
h	Capital Redemption Reserve	-	301
i	Capital Adjustment Reserve	35,537	29,753
j	Dividend Equalization Reserves	-	-
k	Other Free Reserve	-	-
l	Less: Goodwill	-	-
m	Less: Deferred Tax Assets	22,342	1,039
n	Less: Fictitious Assets	-	-
o	Less: Investment in equity in licensed Financial Institutions	-	-
p	Less: Investment in equity of institutions with financial interests	120,615	69,615
q	Less: Investment in equity of institutions in excess of limits	-	-
r	Less: Investments arising out of underwriting commitments	-	-
s	Less: Reciprocal crossholdings	-	-
t	Less: Purchase of land & building in excess of limit and unutilized	-	-
u	Less: Other Deductions	-	-
Adjustments under Pillar II		-	-
SRP 6.4a(1)	Less: Shortfall in Provision	-	-
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lending	-	-
Additional Tier 1 (AT 1)			
a	Perpetual Non Cumulative Preference Share Capital	-	-
b	Perpetual Debt Instruments	-	-
c	Stock Premium	-	-
(B) Supplementary Capital (Tier 2)		**348,783**	**341,566**
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General Loan Loss Provision	333,876	330,066
e	Exchange Equalization Reserve	13,075	9,969
f	Investment Adjustment Reserve	1,832	1,530
g	Assets Revaluation Reserve	-	-
h	Other Reserves	-	-
Total Capital Fund (Tier I and Tier II)		**6,779,521**	**3,734,295**

1.3 CAPITAL ADEQUACY RATIOS	Ashadh End 2074	Previous Year
Common Equity Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	17.85%	11.07%
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	17.85%	11.07%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	18.82%	12.19%

Schedule 4.30 (B):

Risk Weighted Exposure for Credit Risk

As at 31 Ashadh 2074 (15 July 2017)

Amount in '000 s

PARTICULARS	Current Year						Previous Year				
A. Balance Sheet Exposures	**Book Value**	**Specific Provision**	**Eligible CRM**	**Net Value**	**Risk Weight**	**Risk Weighted Exposures**	**Book Value**	**Specific Provision**	**Eligible CRM**	**Net Value**	**Risk Weighted Exposures**
	a	b	c	d=a-b-c	e	f=d*e	a	b	c	d=a-b-c	f=d*e
Cash Balance	841,962	-	-	841,962	0%	-	762,670	-	-	762,670	-
Balance With Nepal Rastra Bank	3,004,167	-	-	3,004,167	0%	-	2,709,151	-	-	2,709,151	-
Gold	-	-	-	-	0%	-	-	-	-	-	-
Investment in Nepalese Government Securities	5,128,045	-	-	5,128,045	0%	-	3,143,633	-	-	3,143,633	-
All Claims on Government of Nepal	16,738	-	-	16,738	0%	-	-	-	-	-	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	600,000	-	-	600,000	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA-7)	-	-	-	-	150%	-	-	-	-	-	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	560,263	-	-	560,263	100%	560,263	493,155	-	-	493,155	493,155
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	1,160,174	-	-	1,160,174	20%	232,035	388,413	-	-	388,413	77,683
Claims on domestic banks that do not meet capital adequacy requirements	2,788	2,788	-	-	100%	-	41,941	2,788	-	39,153	39,153
Claims on foreign bank (ECA Rating 0-1)	601,011	-	-	601,011	20%	120,202	419,261	-	-	419,261	83,852
Claims on foreign bank (ECA Rating 2)	353,721	-	-	353,721	50%	176,861	541,573	-	-	541,573	270,786
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	519,492	-	-	519,492	20%	103,898	330,418	-	-	330,418	66,084
Claims on Domestic Corporates	16,650,772	5,575	18,819	16,626,379	100%	16,626,379	16,487,060	56,310	8,918	16,421,831	16,421,831
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	7,255,428	-	-	7,255,428	75%	5,441,571	4,016,187	2,906	-	4,013,282	3,009,961
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-	496,673	2,500	-	494,173	494,173
Claims secured by residential properties	1,600,800	-	-	1,600,800	60%	960,480	1,263,550	-	-	1,263,550	758,130
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	9,002	3,809	-	5,193	100%	5,193	60,507	15,277	-	45,230	45,230
Claims secured by Commercial real estate	493,330	-	-	493,330	100%	493,330	750,059	22,125	-	727,934	727,934
Past due claims (except for claims secured by residential properties)	1,977,070	1,025,226	-	951,844	150%	1,427,766	1,211,217	610,164	-	601,053	901,579
High Risk claims	1,391,080	1,105	342,301	1,047,673	150%	1,571,510	1,000,209	1,873	242,873	755,463	1,133,195
Investments in equity and other capital instruments of institutions listed in stock exchange	105,466	13,878	-	91,588	100%	91,588	6,896	-	-	6,896	6,896
Investments in equity and other capital instruments of institutions not listed in the stock exchange	75,170	300	-	74,870	150%	112,305	72,669	300	-	72,369	108,553
Staff loan secured by residential property	130,950	-	-	130,950	60%	78,570	103,950	-	-	103,950	62,370
Interest Receivable/claim on government securities	43,060	-	-	43,060	0%	-	26,344	-	-	26,344	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-	-	-	-
Other Assets (as per attachment)	1,595,970	630,414	-	965,556	100%	965,556	785,095	235,840	-	549,255	549,255
TOTAL (A)	**43,516,460**	**1,683,095**	**361,120**	**41,472,245**		**28,967,509**	**35,710,629**	**950,083**	**251,791**	**34,508,756**	**25,249,822**

Schedule 4.30 (B) Continued...

Risk Weighted Exposure for Credit Risk

As at 31 Ashadh 2074 (15 July 2017)

Amount in '000 s

PARTICULARS	Current Year						Previous Year				
A. Balance Sheet Exposures	**Book Value**	**Specific Provision**	**Eligible CRM**	**Net Value**	**Risk Weight**	**Risk Weighted Exposures**	**Book Value**	**Specific Provision**	**Eligible CRM**	**Net Value**	**Risk Weighted Exposures**
	a	b	c	d=a-b-c	e	f=d*e	a	b	c	d=a-b-c	f=d*e
Revocable Commitments	-	-	-	-	0%	-	-	-	-	-	-
Bills Under Collection	62,425	-	-	62,425	0%	-	239	-	-	239	-
Forward Exchange Contract Liabilities	56,156	-	-	56,156	10%	5,616	133,068	-	-	133,068	13,307
LC Commitments With Original Maturity Upto 6 months domestic counterparty	2,242,097	-	67,471	2,174,626	20%	434,925	752,482	-	50,090	702,393	140,479
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	324,161	-	7,062	317,100	50%	158,550	901,288	-	1,170	900,118	450,059
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,776,302	-	153,328	1,622,974	50%	811,487	1,498,170	-	129,847	1,368,324	684,162
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	164,044	-	82,022	82,022	50%	41,011	168,671	-	84,336	84,336	42,168
Foreign counterparty (ECA Rating 3-6)	327,644	-	-	327,644	100%	327,644	403,852	-	-	403,852	403,852
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-	-	-	-	-	-
Advance Payment Guarantee	451,770	-	57,196	394,574	100%	394,574	563,141	-	82,005	481,135	481,135
Financial Guarantee	-	-	-	-	100%	-	-	-	-	-	-
Acceptances and Endorsements	417,006	-	21,584	395,422	100%	395,422	523,769	-	28,809	494,960	494,960
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-	-	-	-	-
Irrevocable Credit commitments (short term)	849,652	-	-	849,652	20%	169,930	984,451	-	-	984,451	196,890
Irrevocable Credit commitments (long term)	27	-	-	27	50%	14	21,820	-	-	21,820	10,910
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-	-	-	-	-	-
Other Contingent Liabilities	72,257	-	-	72,257	100%	72,257	33,540	-	-	33,540	33,540
Unpaid Guarantee Claims	-	-	-	-	200%	-	-	-	-	-	-
TOTAL (B)	**6,743,541**	**-**	**388,662**	**6,354,880**		**2,811,430**	**5,984,492**	**-**	**376,256**	**5,608,236**	**2,951,462**
Total RWE for credit Risk Before Adjustment (A) +(B)	**50,260,001**	**1,683,095**	**749,782**	**47,827,124**		**31,778,939**	**41,695,121**	**950,083**	**628,046**	**40,116,992**	**28,201,284**
Adjustments under Pillar II											
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE											
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE											
Total RWE for Credit Risk after Bank's adjustments under Pillar II	**50,260,001**	**1,683,095**	**749,782**	**47,827,124**		**31,778,939**	**41,695,121**	**950,083**	**628,046**	**40,116,992**	**28,201,284**

Schedule 4.30 (C):

Eligible Credit Risk Mitigants

As at 31 Ashadh 2074 (15 July 2017)

Amount in '000 s

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt.& NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates	18,819									18,819
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	-	-	-	-	-	-	-	-	-	-
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claims secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims	103,534		238,767							342,301
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total	**122,353**	**-**	**238,767**	**-**	**-**	**-**	**-**	**-**	**-**	**361,120**

Schedule 4.30 (C): Continued...

Amount in '000 s

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt.& NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Off Balance Sheet Exposures										
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	67,471	-	-	-	-	-	-	-	-	67,471
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	7,062	-	-	-	-	-	-	-	-	7,062
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	153,328	-	-	-	-	-	-	-	-	153,328
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	82,022	82,022
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	57,196	-	-	-	-	-	-	-	-	57,196
Financial Guarantee										-
Acceptances and Endorsements	21,584	-	-	-	-	-	-	-	-	21,584
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Unpaid Guarantee Claims	-	-	-	-	-	-	-	-	-	-
Total	**306,640**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**82,022**	**388,662**
Grand Total	**428,994**	**-**	**238,767**	**-**	**-**	**-**	**-**	**-**	**82,022**	**749,782**

Schedule 4.30 (D):

Risk Weighted Exposure for Operational Risk

As at 31 Ashadh 2074 (15 July 2017)

Amount in '000 s

S.N.	Particulars	Fiscal Year (Previous Years)			Previous Year
		2071/072	2072/073	2073/074	
1	Net Interest Income	850,749	994,861	1,122,838	850,749
2	Commission and Discount Income	55,158	67,976	87,072	55,158
3	Other Operating Income	65,578	87,197	114,855	65,578
4	Exchange Fluctuation Income	72,233	89,962	99,107	72,233
5	Addition/Deduction in Interest Suspense during the period	85,298	25,816	209,289	85,298
6	**Gross income (a)**	**1,129,016**	**1,265,811**	**1,633,161**	**1,129,016**
7	Alfa (b)	15%	15%	15%	15%
8	Fixed Percentage of Gross Income [c=(a×b)]	169,352	189,872	244,974	169,352
9	Capital Requirement for operational risk (d) (average of c)			201,399	129,325
10	Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10	10
11	Equivalent Risk Weight Exposure [f=(d×e)]			2,013,994	1,293,248

SRP 6.4a (8) Adjustments under Pillar II (If Gross Income for the last three years is negative)

1	Total Credit and Investment (net of Specific Provision) of related month	-	-
2	Capital Requirement for Operational Risk (5% of net credit and investment)	-	-
3	**Risk Weight (reciprocal of capital requirement of 10%) in times**	**10**	**10**
4	**Equivalent Risk Weight Exposure (g)**	**-**	**-**
5	**Equivalent Risk Weight Exposure [h=f+g]**	**2,013,994**	**1,293,248**

Schedule 4.30 (E):

Risk Weighted Exposure for Market Risk

As at 31 Ashadh 2074 (15 July 2017)

Amount in '000 s

S.No.	Currency	2074 Ashadh End				Previous Year Relavant Open Position LCY
		Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position (LCY)	
1	INR	55,592.16	1.60	88,989	88,989	178,041
2	USD	(2.90)	103.15	(299)	299	11,532
3	GBP	12.74	133.57	1,702	1,702	2,673
4	EUR	19.84	117.63	2,334	2,334	423
5	THB	0.60	3.09	2	2	13
6	CHF	3.49	106.97	374	374	349
7	AUD	3.65	80.45	294	294	197
8	CAD	10.45	81.10	847	847	741
9	SGD	0.01	75.07	0.38	0.38	176
10	JPY	696.30	0.91	636	636	2,377
11	HKD	1.58	13.09	21	21	63
12	DKK	-	15.84	-	-	-
13	BHD	-	273.79	-	-	-
14	SAR	7.66	27.00	207	207	337
15	QAR	0.05	28.21	1	1	146
16	AED	2.31	27.92	64	64	62
17	MYR	3.69	24.04	89	89	480
18	KRW	-	0.09	-	-	32
19	CNY	0.73	15.22	11	11	61
20	KWD	0.06	340.53	21	21	57
(a)	**Total Open Position**			**95,293**	**95,892**	**197,760**
(b)	**Fixed Percentage**				**5%**	**5%**
(c)	**Capital Charge for Market Risk (=a×b)**				**4,795**	**9,888**
(d)	**Risk Weight (reciprocal of capital requirement of 10%) in times**				**10**	**10**
(e)	**Equivalent Risk Weight Exposure (e=c×d)**				**47,946**	**98,880**

Schedule 4.31:

Principal Indicators for this financial year

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Indicators	Unit	F/ Y - 2012/13 (2069/070) As at Ashadh 2070	F/ Y - 2013/14 (2070/071) As at Ashadh 2071	F/ Y - 2014/15 (2071/072) As at Ashadh 2072	F/ Y - 2015/16 (2072/073) As at Ashadh 2073	F/ Y - 2016/17 (2073/074) As at Ashadh 2074
1. Net Profit/ Gross Income	Percent	8.76	11.63	9.64	7.30	9.93
2. Earnings Per Share	Rs.	7.57	8.24	7.46	6.03	5.87
3. Market Value Per Share	Rs.	-	149	330	255	246
4. Price Earning Ratio	Ratio	19.69	40.02	36.19	42.32	41.88
5. Dividend (including bonus) on Share Capital	Percent	5.75	8.50	7.11	3.03	10.79
6. Cash Dividend on Share Capital	Percent	5.75	1.50	0.36	0.15	0.54
7. Interest Income/ Loans and Advances	Percent	12.04	11.56	10.26	9.46	10.50
8. Staff Expenses/ Total Operating Expenses	Percent	41.50	47.40	48.06	50.04	52.64
9. Interest Expenses/ Total Deposits and Borrowings	Percent	6.47	6.61	5.51	4.86	6.30
10. Exchange Gain/ Total Income	Percent	3.01	2.86	3.03	3.39	2.82
11. Staff Bonus/ Total Staff Expenses	Percent	13.08	17.76	13.67	10.22	12.15
12. Net Profit/Total Loans and advances	Percent	0.97	1.25	0.99	0.73	1.13
13. Net Profit/ Total Assets	Ratio	0.0067	0.0094	0.0076	0.0055	0.0083
14. Total Loans & Advances/ Total Deposits	Percent	80.10	86.52	86.90	84.05	90.20
15. Total Operating Expenses/ Total Assets	Percent	1.66	1.45	1.54	1.45	1.53
16. Capital Adequacy (On Risk Weighted Assets)						
a. Core Capital	Percent	13.97	13.76	12.79	11.07	17.85
b. Supplementary Capital	Percent	0.89	0.89	0.86	1.11	0.97
c. Total Capital Fund	Percent	14.85	14.65	13.65	12.19	18.82
17. Liquidity (CRR)	Percent	13.28	16.34	10.52	8.50	7.13
18. Non-Performing Loan/ Total Loans & advances	Percent	0.50	1.76	3.20	4.49	3.96
19. Weighted Average Interest Rate Spread	Percent	4.02	3.36	4.33	3.43	2.66
20. Book Net Worth (In Million)	Rs.	2,038	3,036	3,288	3,473	6,590
21. Book Net Worth per Share	Rs.	101.91	105.14	106.66	108.04	111.15
22. Number of Shares	Nos.	20,000,000	28,878,494	30,827,793	32,147,929	59,293,010
23. Number of Staff	Nos.	258	404	406	404	526
24. Base Rate	Percent	12	9.44	8.99	7.85	11.59
25. Others	-	-	-	-	-	-

Schedule 4.32:

Significant Accounting Policies

General Information

Civil Bank Limited ("The Bank") is a public limited company established in Nepal with its registered office at Teen Dhara Road, Kamaladi, Kathmandu. The Bank is licensed by Nepal Rastra Bank (NRB) to carry out commercial banking activities in Nepal as a Class "A" licensed financial institution under Bank and Financial Institutions Act, 2073. The Bank has commenced its operation on November 26, 2010 (Mangsir 10, 2067).

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on 2075/02/21.

Merger and Acquisition

Civil Bank has merged International Leasing and Finance Co. Ltd and the joint operation started from Kartik 1, 2073 (October 17, 2016).

Civil Bank has acquired Unique Finance Limited and Hama Merchant and Finance Limited and joint operation has started from Ashadh 17, 2074 (July 1, 2017).

The paid up capital of the bank has reached to NPR 5.18 billion after successful acquisition and merger.

The bank has merged 1 financial institution and acquired 2 financial institutions, issued right share and proposed bonus shares to reach paid up capital of NPR 8 billion as required by Nepal Rastra Bank.

Subsidiary Company

Civil Capital Markets Limited is the subsidiary company of the Bank. The subsidiary company was incorporated on May 12, 2009 as public limited company as per Company Act 2006. It is a Merchant Banker licensed by Securities Board of Nepal. The Bank, as at the Balance Sheet date, holds 51% controlling interest in the Subsidiary.

Civil Laghubitta Bittiya Sanstha Limited (former ILFCO Microfinance Bittiya Sanstha Ltd.) is another subsidiary company of the Bank. The subsidiary company was incorporated on Chaitra 1, 2067 as public limited company as per Company Act 2006. The Company got the business operating license from Nepal Rastra Bank to conduct micro-finance activities as 'D' class financial institution on 07 Baisakh 2069. The company also provides savings and micro-insurance services to its clients. The Bank, as at the Balance Sheet date, holds 51% controlling interest in the Subsidiary.

The Bank and the subsidiary are collectively referred to as "the Group".

Basis of Preparation

The financial statements are presented in Nepalese rupees (NPR) and are prepared on historical cost convention and accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles, statutory requirements prescribed by BAFIA 2073, Company Act, 2063 and NRB Directives, including circulars issued by Nepal Rastra Bank from time to time, Nepal Accounting Standards (NAS), unless otherwise stated, issued by the Institute of Chartered Accountants of Nepal and current practices prevailing within the banking industry in Nepal. The Bank is in the process of preparing its financial statement as per the Nepal Financial Reporting Standard (NFRS) to comply with the circular issued by Nepal Rastra Bank.

Use of Estimate

The preparation of financial statements requires the management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been and will be consistently applied for the coming financial years, unless otherwise stated.

1. Equity

Equity is the residual interest of the equity holders in the assets after deducting all its liabilities. It comprises of all funds contributed by equity holders, retained earnings and reserves representing appropriation of retained earnings.

As per Section 44 of BAFIA 2073, all licensed institutions are required to transfer minimum 20% of net profit after tax to the General Reserve until it becomes double of paid up capital. The Bank consistently transfers the fund from the profit in the General Reserve to comply with this requirement.

As per Section 45 of the aforesaid Act, all licensed institutions are required to transfer minimum 25% of the Total Revaluation Gain (except gain from revaluation of Indian Currency) in the Exchange Fluctuation Reserve. The Bank consistently maintains the Reserve by transferring the fund from the profit to comply with this requirement.

As per Directives No. 4 of NRB Unified Directives, all licensed institutions are required to maintain Deferred Tax Reserve equivalent to the amount of Deferred Tax Asset. However, as per point number 6 of the AGM Clearance & Dividend Approval Working Procedure 2072, for the purpose of declaration of bonus shares and cash dividend for tax purpose, the same need not be deducted from the distributable profit to fulfill the Paid Up Capital requirement of NPR 8 billion,. Hence, the Bank has not maintained such reserve. However, the Bank shall be consistently maintaining equivalent reserve to the amount of deferred tax asset to comply with the requirement of the Directives in the coming fiscal years.

As per circular number 11/073/074 issued by Nepal Rastra Bank, 1% of net profit of the current year needs to be allocated for carrying out works related to corporate social responsibility and accordingly the bank has maintained corporate social responsibility fund to comply with the said requirement.

As per circular number 10/073/074 issued by Nepal Rastra Bank, 3% of the last year total employee expense is to be expensed as employee training and if there is shortfall of such amount the difference amount is to be allocated as staff capacity development fund. The bank has created such fund to comply with the said provision of the circular.

2. Cash & Cash Equivalent

Cash and cash equivalents comprise cash, balance with Nepal Rastra Banks and other banks and financial institutions.

3. Investment

a. Investment made in government securities (development bonds and treasury bills), foreign currency bonds, long term and short term placements and in equity shares and debentures of companies are included under Investments. All investments are carried at their acquisition cost or at amortized cost if acquired at a premium over the face value and are presented at net of provision made for loss in investment.

b. All investments are subject to periodic review by the management of the Bank. The Bank classifies the investment under the following categories:

i. Held for Trading:

Investments that are made for the purpose of generating profit from short term fluctuations in price are classified under this category. These investments are marked to market and differences reflected in the Profit and Loss Account.

ii. Held to Maturity:

The investments made with positive intent and ability of the Bank to hold till maturity is classified as Held to Maturity Investments. The Held to Maturity Investments are valued at amortized cost.

iii. Available for Sale:

All other investments that are neither “Held for Trading” nor “Held to Maturity” are classified under this category. Further, investments which are held with an intention to recover the value through sale rather than holding till maturity are classified as investment available for sale. These investments are accounted in cost price and if the market prices of these investments are lower than cost price, the difference is charged to PL Account. Amount equivalent to 2% of the cost of such investment is appropriated to Investment Adjustment Reserve.

c. Placements with maturity period of more than 7 days are classified as Investment and valued at cost.

4. Loans And Advances Including Bills Purchased

Loans and Advances and Bills Purchased include overdrafts, term loans, working capital loans, consumer loans and loans given to Priority and Deprived Sectors and other loans extended to customers as per the Bank’s policy. Gross figures and provision have been reported separately in Schedule 13 of the financial statement.

The Bank has “Loan Write off Policy” approved by the Board of Directors, to provide a framework for efficient management of deteriorating credits as well as Non-Performing Assets. This policy also provides a transparent and effective write-off policy. Specific loans that meet the criteria stipulated in the policy are written off without prejudice to Bank’s right of recovery.

5. Property Plant And Equipment

a. Fixed Assets are stated at cost net of accumulated depreciation. The cost comprises of expenditure that is directly attributable to acquisition of the fixed assets.

b. Assets with a value less than NPR 5,000 are charged off as a Revenue Expense in the year of purchase irrespective of its useful life.

c. Depreciation is charged to Profit & Loss Account on written-down value method over the estimated useful life of the relevant assets. The rates of depreciation based on the estimated useful life are as follows:

S. No.	Asset Type	Depreciation Rates
1	Furniture and Fixture (Metal)	10%
2	Furniture and Fixture (Wood)	15%
3	Office Equipment	15%
4	ATM	15%
5	Computer and Accessories	20%
6	Computer and Accessories-Staff	25%
7	Generator	15%
8	Vehicles – Office	15%
9	Core Banking Software	Depreciated over the period of 10 years on straight line basis
10	Other Software	Depreciated over the period of license or five years, whichever is lower, on straight line basis.
11	Leasehold Improvement	Depreciated over the period of lease on straight line basis.

d. Advances paid towards acquisition of fixed assets are shown as Advance paid to supplier under Other Assets. Similarly, costs of assets not ready for use before year-end are shown as capital work in progress.

e. Core Banking System T24 is capitalized on the basis of cost incurred to acquire and put the same to use. T24 has been recognized as fixed asset under intangible assets and depreciated over a period of ten years in equal installments.

f. Other Software's are also capitalized on the basis of cost incurred to acquire and put the same to use. The same have been recognized as fixed assets and depreciated over the period of the license or five years whichever is lower, in equal installments.

6. Non-Banking Assets (NBA)

Non-Banking Assets are the assets obtained as security for loans & advances subsequently taken over by the Bank in the course of loan recovery and is recognized as assets immediately after the transfer of ownership to bank following required procedures. Such assets are valued at fair market value or total amount due from the borrower, whichever is lower as per Nepal Rastra Bank directives.

NBA is derecognized at the time of its disposal. 100% Provision is set aside on outstanding amount of NBA until the disposal of such assets.

7. Staff Loans and Advances

Loans and Advances granted to staffs are in accordance with the rules of the Bank and are shown under Other Assets as per the Nepal Rastra Bank Directives.

8. Transactions in Bullion

The Bank deals in bullion either on its own account or holds stock on consignment basis on behalf of suppliers as per the arrangement. The advance paid to the supplier for the maintenance of gold stock is included under other assets. Similarly, the customs duty on unsold stock is also included under other assets. Transaction of gold is done as per the NRB Directives. Commission from bullion transaction is recognized as and when risk and rewards attributable to the bullion is transferred to the buyer. The bank merely acts as a consignee to the consignor and hence does not recognize the stock in its book as asset.

9. Stationery Stock

Stationery purchased is stated at cost and shown as Other Assets and charged to revenue at the time of consumption.

10. Interest Receivables

Interest receivable comprise of interest accrued on loans (including receivables on loans to staffs under Staff Loan Policy of the Bank) and investments. Interest accrued on loans (except housing loan of staff) and investments are recognized on daily basis based on the outstanding balance at the end of the day. In case of interest accrued on staff housing loan backed by insurance policy, interest is calculated on outstanding loan amount annually.

Interest receivables on loans (except staff housing loans) are stated at full value and are disclosed net of interest suspense under "Accrued Interest on Loan" in Schedule 16 of the Financial Statements. Similarly, Interest receivables on staff housing loans are presented under "Others" in the same Schedule.

Interest receivables on investments are stated at full value.

11. Prepayments

Prepayments are the amount paid in advance on account of provision of services in future. Prepayments comprise of amount paid in advance for insurance services, rental of leased premises, communication like internet connectivity, maintenance of services (AMCs) and other miscellaneous services. Prepayments are recognized as asset at full value on the date of payment. They are derecognized as and when services are received or at the time service accrues or period mature.

12. Impairment of Assets

The Bank assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. Impairment of assets is recognized when carrying amount of the assets exceeds its recoverable amount and is recognized in profit and loss account.

However, in case of impairment on loans and advances, provision for possible losses is done according to the Directives issued by Nepal Rastra Bank. Additional provision in excess of the regulatory requirement can also be made to maintain cushion against possible impairment.

13. Lease

The Bank has entered into a lease arrangement for office premises which can be terminated in mutual understanding between the Lessor (Owner of the office premises) and Lessee (Bank). Operating lease payments are recognized as an expense from the date of inception of the lease (effective date of lease agreement) as per the NAS – 15, "Leases".

14. Borrowings

Borrowings comprise of local and foreign currencies' inter-bank borrowing and amount received from Nepal Rastra Bank for refinancing purpose. Borrowings are recorded at the full value and recognized on the effective dates mentioned in the deed or contract. Borrowings are derecognized at the time of its disposal / settlement.

15. Deposits from Customers

Deposits of the Bank comprise of local and foreign currency deposits held in customer accounts viz. current, savings, call, margin and other accounts. Deposits are stated at full value and recognized on the date of deposition. Deposits are derecognized at the time of its withdrawal / maturity but matured fixed deposit which has not been withdrawn by customer is also shown under deposit. The Bank has policy of transferring the same to Saving/Current account of such FD holder, however, if such account is not opened, the same is shown under matured fixed deposit and shown under fixed deposit heading of schedule 4.5.

16. Bills Payable

Bills payable are negotiable instruments issued/endorsed by the Bank for consideration received in exchange from the customer. Bills payable comprise of manager cheques, travellers cheques, drafts issued in local currency and foreign currencies payable at the counter of the Bank and the cheques realized at Nostro banks on behalf of customer sent for collection by endorsement.

These are recorded at full value and recognized at the time of its issuance for the consideration received. They are de-recognized at the time of its disposal at the Bank's counter or after receipt of information of disposal from other banks and financial institutions.

17. Interest Payable on deposits and borrowings

Interest payable comprise of interest payables on deposits and borrowings. They are recognized on the outstanding balance at the end of the day on daily basis. Interest accruals are derecognized at the due date i.e. on the date it is credited in customers' account. Bank has been crediting interest income in the customer account quarterly as mentioned in NRB directives.

18. Unearned Discount and Commission

Unearned Income comprise of income received as LC fees and guarantee fees issued with a risk period of more than 1 year period and for fees with more than NPR 500,0000. They are recognized as liability at the time of its receipt and are derecognized as and when income accrues and / or risk period expires.

19. Provision for Income Tax

a. Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the Profit & Loss Account.

b. Any excess or shortfall in tax provision is adjusted to the Profit and Loss Account in the year, when tax assessment is completed.

c. Deferred Taxes are accounted for using the asset and liability method in accordance with NAS 09. Deferred Tax Assets and Liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred Tax Assets and Liabilities are measured using tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

20. Revenue Recognition

a. Interest Income on Loans and Advances are recognized on cash basis as per the NRB Directives, although this practice is not in accordance with NAS 7 - Revenue, which prescribes that the revenue should be recognized on accrual basis. However, Interest Income due as of Ashadh end 2074 and collected within Shrawan 15, 2074 has been recognized as Interest Income as per NRB Directive no. 4/073.

b. Interest Income on staff loans and advances (housing loan backed by insurance policy) are recognized on accrual basis.

c. Interest Income on Investments is accounted on accrual basis.

d. Commission income is normally accounted at the time of receipt of the commission amount. However, commission received on LC/Guarantee rendered in excess of NPR 500,000 with a maturity period exceeding one year from the date of transaction is recognized as income on accrual basis and prorated over the tenure of the transaction. The balance amount is recognized as liability and presented under Unearned Discount and Commission.

e. Interest on Deposit Liabilities and Borrowings from Nepal Rastra Bank and other banks and financial institutions are accounted on accrual basis.

21. Dividend Income

Dividend on equity shares are recognized when the right to receive dividend is established. Dividend Income is accounted for on cash basis net off withholding tax. When bonus shares are received, only numbers of shares are increased without changing the cost price of shares.

22. Recovery from Written-Off Loans

Recovery from written-off loans is recognized as income when the amount is actually received from the borrower. All cost incurred like legal costs, notice publication expense, etc for the recovery of written-off loans are reduced from the gross recovery amount and disclosed in Schedule 28 of the financial statements.

23. Foreign Currency Transactions

a. Foreign Currency Transactions, at initial recognition, have been recorded at spot rate.

b. Assets and liabilities denominated in foreign currency are translated into Nepalese Rupees at the mid-rate of foreign exchange rate prevailing on the Balance Sheet date.

c. Gains or losses realized on the foreign exchange transactions is recognized at the foreign exchange rate applicable at the date of transaction and is included under Exchange Gain / (Loss) as the case may be as Trading Gain / (Loss).

d. Gains or losses arising due to fluctuation in exchange rate of assets and liabilities denominated in foreign currencies is accounted for on a daily basis and presented at net as "Revaluation Gain / Loss". In conformity with the directive issued by Nepal Rastra Bank and as per section 45 of Bank and Financial Institutions Act, 2073, 25% of such net revaluation gain is transferred to Exchange Fluctuation Reserve through Profit and Loss Appropriation.

24. Loan Loss Provision

a. Provision for Loan Loss has been made in accordance with NRB Directives.

b. Provision for Loan Loss has been deducted from Loans and Advances as per the NRB Directives and the Loans and Advances have been presented net of provision in the Balance Sheet.

25. Employee Benefits

a. The undiscounted amount of short-term employee benefits, such as salaries, medical benefit, staff bonus etc. which are expected to be paid in exchange for the service rendered by employees is recognized during the period when the employee renders the service.

b. Bank contributes 10% of Basic Salary of permanent employees as provident fund and is recognized as expense at the time of contribution. The fund is independent to the Bank.

c. Gratuity Liability accrues only after completion of fixed period of full time employment with the Bank in accordance with the Staff Service By-Laws. The provision for Gratuity Liability is made as per the best estimate available with the Bank.

d. All the leave facilities such as home leave, sick leave and annual leave fare assistance are recognized as and when incurred. The provision for staff leave encashment for accumulated home leave and sick leave are made as per the best estimate available with the Bank.

26. Staff Bonus

Provision for Staff Bonus is provided at 10% of net profit after bonus before Income Tax as per Bonus Act, 2030.

27. Write Off Expense

Loan which are classified as loss are written off from the books in compliance with NRB Directives and Income Tax Act 2058, without prejudice to the Bank's right to recovery. Provisions created on such accounts are written back at the time of loan written-off.

28. Contingent Asset, Liability and Provision

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

All liabilities of contingent nature are disclosed in a separate schedule, forming part of the Balance Sheet.

29. Recovery of Principal and Interest on Loans

The Bank applies amount repaid by borrowers, first for the settlement of due interest in full and the remaining balance is applied for settlement of the principal. In case of restructuring / rescheduling of non-performing loan accounts, the amount recovered from borrowing customer can be applied first for recovery of a minimum 25% of overdue interest and thereafter for recovery of overdue principal. This policy is consistent with the regulatory provisions prescribed by Nepal Rastra Bank.

30. Events after the Balance Sheet Date

Events after the Balance Sheet Date are those events, favorable and unfavorable, that occur between the Balance Sheet date and the date when the financial statements are authorized for issue. In this regard, all material and important events that occurred after the balance sheet date have been considered and appropriate disclosures are made in the financial statements in Schedule 33"Notes to Accounts".

31. Previous Year's Figures and Rounding Off

The Financial Statements are presented in Nepalese Rupees, rounded off to the nearest rupee. Previous year's figures have been regrouped/rearranged wherever necessary.

Schedule 4.33:

NOTES TO ACCOUNT

1. Paid-up equity capital

As per Unified Directives issued by Nepal Rastra Bank, "A" class Commercial Banks of Nepal must have minimum paid up capital of NPR 8 billion by the end of fiscal year 2016-17. To this effect the Bank has had its Capital Plan approved from Nepal Rastra Bank and has also disclosed it in the Bank's website.

At balance sheet date, the Bank's paid up equity capital stands at NPR 5.18 billion after the successful merger with International Leasing & Finance company Ltd, and acquisition of Unique Finance Limited and Hama Merchant & Finance Limited.

Furthermore, the bank's AGM held on Jestha 4, 2074 had approved for the issuance of 40% right share on the paid up capital of NPR 5.18 billion amounting NPR 2.07 billion. The right share issuance was opened from 2074-08-22 to 2074-10-12. The unsubscribed shares were sold from the auction.

The paid up capital after subscription of right share is NPR 7.26 billion. The Bank has proposed bonus share of 10.25% on paid up capital of NPR 7.26 billion to fulfill the required paid up Capital of NPR 8 billion.

The paid up share capital of the bank is as follows:

Particulars	Amount
Paid up capital before right share and bonus share	5,185,221,687.00
Allotment of right shares (10:4)	2,074,088,674.80
Paid up capital before proposed bonus shares	7,259,310,361.80
Proposed Bonus Shares	744,079,312.08
Total Paid up capital	8,003,389,673.88

2. General Reserve

As required by BAFIA, 2073, 20% of the current year's net profit amounting to NPR 69,655,914 (Previous Year NPR 38,746,024) has been transferred to General Reserve through Profit and Loss Appropriation Account.

3. Capital Reserve Fund

There is capital reserve fund consist of share premium amount amounting NPR 4,667 thousand and capital reserve of NPR 562,980 thousand. The details of which is presented below:

NPR '000'

SN	Particulars	Amount
Share Premium		
1	ILFCO	3,590
2	AxDBL	1,077
Total		**4,677**
Capital Reserve		
1	Opening Figure	301
2	ILFCO	507,773
3	UFL	27,679
4	Hama	27,227
Total		**562,980**

The entire amount has been transferred to PL Appropriation account and shown under accumulated profit/loss account.

4. Capital Adjustment Fund

Interest capitalization of NPR 35,537 thousand of Nepal Healthcare Co-operative Ltd as of Ashadh end 2074 has been transferred to Capital Adjustment Account through Profit and Loss Appropriation Account as per instruction by NRB.

The details of which is as follows:

NPR '000'

Fiscal Year	Amount
2071-72	7,467
2072-73	15,071
2073-74	12,999
Total	**35,537**

5. Investment Adjustment Reserve and Provision

The summary of the investment adjustment reserve is as below:

NPR '000'

SN	Particulars	Net Investment	IAR Required
1	Not required	5,255	-
2	2% Required	91,588	1,832
3	100% Required	69,615	69,615
	Total	**166,458**	**71,447**

As mentioned in the above table, investment adjustment reserve in case of Nepal Clearing House Limited and Credit Information Bureau is not required since the same is exempted via directive number 8 issued by Nepal Rastra Bank.

The bank has maintained 100% provision (in amount NPR 69,615 thousand) in case of investment in its subsidiary company namely Civil Capital Market Limited since the share of the company is not listed in Nepal Stock Exchange and 1 year has already been elapsed of the investment date.

In case of all other investment available for sale 2% investment adjustment reserve has been maintained as required by the directive 4 issued by NRB.

The bank has also applied for the shares of General Insurance Company Ltd.; since the company has not come into establishment/existence during the period, 100% provision of the total investment has been made as per NRB Directive.

Provision on Investment overview for the fiscal year is as below:

NPR '000'

Particulars	Amount
Opening Balance for FY 2073-074	300
Provision Transferred from Hama Merchant	14,548
Addition During the FY 2073-074	-
Recovery During the FY 2073-074	670
Closing Balance for FY 2073-074	**14,178**

6. Corporate Social Responsibility Fund

As per circular number 11/073/074 issued by Nepal Rastra Bank, 1% of net profit of the current year needs to be allocated for carrying out works related to corporate social responsibility and accordingly the bank has maintained corporate social responsibility fund to comply with the said requirement as follows:

NPR '000'

Particulars	Amount
Net Profit for the year	348,280
CSR Fund Percentage	1%
CSR Fund	**3,483**

7. Staff Capacity Development Fund

As per circular number 10/073/074 issued by Nepal Rastra Bank, 3% of the last year total employee expense is to be expensed as employee training and if there is shortfall of such amount the difference amount is to be allocated as staff capacity development fund. The bank has created fund of NPR 70 thousand as follows:

NPR '000'

Particulars	Amount
Employee Expense of last FY	230,743
SCI Fund Percentage	3%
Training Expense that should have been incurred	**6,922**
Actual training expense	6,852
Fund to be created	**70**

8. Exchange Fluctuation Reserve

The Bank transfers 25% of the Revaluation Gain to Exchange Fluctuation Reserve by debiting Profit and Loss Appropriation Account as per Section 45 of Bank and Financial Institutions Act, 2073. For the year NPR 3,105,363 (Previous year NPR 692,907) has been transferred to Exchange Fluctuation Reserve.

9. Summary of Deposit Liabilities

During the period there is increase of deposit by 8.46% but the current deposit has decreased by 1.11%.

NPR '000'

Particulars	Current Period	Previous Period	% Changes
Current Deposits	1,067,833	1,079,786	-1.11%
Saving Deposits	5,838,805	4,721,858	23.65%
Fixed Deposits	18,677,472	18,352,578	1.77%
Margin & Other Deposits	367,616	332,011	10.72%
Call Deposits	8,283,517	7,077,790	17.04%
Total Deposit	**34,235,243**	**31,564,023**	**8.46%**

Note: The figure may not be comparable since the current period figure has been arrived after addition of deposit of former ILFCO, UFL and Hama.

10. Gratuity Fund

Gratuity Liability accrues only after completion of fixed period of full time employment with the Bank in accordance with the Staff Service By-Laws. For the FY 2073/74, the provision for Gratuity Liability of NPR 7,105 thousand has been made as per the best estimate available with the Bank.

11. Staff Leave Encashment

Staff Leave Encashment becomes payable either after the accumulation of 60 days of home leave or sick leave or at the time of separation of employee from the Bank as per Staff Service By-Laws. For the FY 2073/74, the provision for staff leave encashment of NPR 6,990 thousand has been made as per the best estimate available with the Bank.

12. Income-Tax Liability

The provision for Income Tax has been made as per the Income Tax Act 2058. The provision for tax has been netted off against Advance Tax in the financial statements.

13. Deferred Tax Asset/(Liability)

NPR '000'

Particulars	Book Value	Tax Base	Difference Asset/ (Liability)
Provision for Gratuity	23,707	-	23,707
Provision for Leave Encashment	14,591	-	14,591
Provision for Investment on Share	14,178	-	14,178
Premium on Bond	5,459	-	5,459
Fixed Assets	279,164	246,229	(32,936)
Loss of Former ILFCO	-	38,971	38,971
Loss of Former AxDBL	-	10,502	10,502
Total Difference			**74,473**
Tax Rate			**30%**
Total Deferred Tax Assets/(Liability)			**22,342**

The Deferred Tax Liability has been shown net of Deferred Tax Assets as required by the NAS-09.
The reconciliation of the accounting profit and taxable profit is as follows:

NPR '000'

Particulars	Amount
Accounting Profit	**435,619**
Adjustment	
Gratuity Provided during the year	7,105
Leave Encashment	6,990
Depreciation as per Book	26,639
Amortization as per Book	27,656
Expenses for Capital Items	259
Fixed Assets Written Off	147
Repair & Maintenance as per Books	5,790
Premium on Bond	2,758
Depreciation as per the Act	(33,007)
Amortization as per Act	(30,194)
Provision for Investment in Shares written back	(670)
Repair & Maintenance as per the Act	(5,537)
Dividend Income	(8,770)
Leave Encashment During Year	(4,744)
Provision for Other Assets Written Back	(1,000)
Gratuity En-cashed During the Year	(954)
LLP as per Section 59 (a)	(94,787)
Loss of Former AxDBL	(3,501)
Loss of Former ILFCO	(6,495)
Taxable Profit	323,305
Tax Rate	30%
Current Tax	96,992

14. Provision for Other Assets

NPR 17,528,455 has been provisioned for the deposit maintained in the problematic financial institutions such as Samjhana Finance Ltd and Himalaya Finance Ltd (under liquidation process), receivable from Pashupati Remit Nepal, receivables from various borrowers and others. The details of which is presented below:

NPR '000'

SN	Particulars	Amount	Provision	Booked FY
1	Samjhana Finance Ltd	11,025	11,025	2067-068
2	Pashupati Remit Nepal Ltd	710	710	2070-071
3	Himalaya Finance Ltd	2,788	2,788	2070-071
4	Loan Related and Other Receivables	3,005	3,005	2073-074
Total		**17,528**	**17,528**	

During the fiscal year the Bank has recovered NPR 1,000,000 from Pashupati Remit Nepal Ltd. The recovered amount has been booked as income and shown in Schedule 4.27.

15. Reconciliation Status

The Bank has been regularly reconciling between the branches and other agency accounts. Pending amounts identified and reconciled are as hereunder.

NPR '000'

Account	Total Amount	Up to 1 Year	1 to 3 Years	Above 3 years
Branch Account	13	13	-	-
Agency Account	23,295	21,163	1,119	1,013

16. (a) Details of Loan Disbursement, Loan Recovery and Loan Written off

NPR '000'

Description	Amount
Opening Loan Balance for Shrawan 1st, 2073	26,529,053
Loan Disbursed for the Year	20,074,515
Transfer from ILFCO	1,068,001
Transfer from UFL	570,509
Transfer from Hama	236,429
Loan Recovery for the Year	18,285
Loan Written Off for the Year	120,945
Closing Balance as at Ashadh end 2074	**30,881,205**

(b) Details of Interest Accrued, Interest Recovered and Interest Written Off

NPR '000'

Description	Amount
Opening Balance of Loan Interest for Shrawan 1st, 2073	221,389
Interest Accrued for the Year	3,222,536
Interest Recovered for the Year	3,013,247
Interest Written Off for the Year	-
Closing Balance as at Ashadh end 2074	**430,678**

17. Weighted Average Interest Spread

Particulars	Percent
Weighted average yield on loans and investments	9.49%
Average Cost of deposits plus borrowing	6.83%
Spread (Yield -cost)	**2.66%**

18. Leasehold Assets Details:

The detail of the leasehold assets of the bank is as follows:

NPR '000'

Particulars	Amount
Total Leasehold Assets as at Ashadh end 2073	149,234
Transfer from ILFCO	24,291
Transfer from UFL	63
Transfer from Hama	10,362
Total Leasehold Assets	**183,950**
Accrued Amortization up to Ashadh end 2073	66,656
Transfer from ILFCO	18,840
Transfer from UFL	2
Transfer from Hama	4,865
Total Accumulated Amortization	**90,362**
Addition for FY 073/074	1,361
Amortization for this FY 073/074	16,362
Written off during the FY 073/074	-
Closing Balance as at Ashadh end 2074	**78,586**

19. Non-Banking Asset Details

The detail of the Non-Banking Assets of the bank is as follows:

NPR '000'

Particulars	Amount
Opening Balance for FY 073/074	1,716
Transfer from ILFCO	80,724
Transfer from Hama	18
Addition for FY 073/074	130,951
Recovery during the FY 073/074	13,673
Written off during the FY 073/074	-
Closing Balance as at Ashadh end 2074	**199,736**

The total of NPR 130,951,120 has been provisioned for non-banking assets, the detail of which is as follows:

Particulars	Amount (NPR)
Sai Associates	53,436,000
Sain Trading Pvt Ltd	41,892,536
Asian Drinks Pvt Ltd	28,152,064
Krishna Kumar Karki	7,470,520
Total Provision	**130,951,120**

Similarly, NPR 13,672,935 has been written back due to subsequent selling of Non-Banking assets, the detail of which is as follows:

Particulars	Amount (NPR)
Krishna Lal Shrestha	957,435
Lalit Concrete	12,715,500
Total Provision	**13,672,935**

20. Interest Suspense

a. Interest Income from Loans and Advances is shown on cash basis.

b. Total Interest Receivable from Loan and Advances as at 15.07.2017 amounting to NPR 430,678 thousand has been transferred to Interest Suspense Account as per NRB Directives. Interest accrued on Ashadh end 2074 but recovered within Shrawan 15, 2074 amounting NPR 41,243 thousand has been recognized as interest income as per NRB Directive no. 4/073.

21. Software Expense

Core Banking Software has been amortized over the period of 10 years on straight line basis and remaining other Software has been amortized over the period of license or five years, whichever is lower on straight line basis and shown under the Schedule 4.14 (Others).

22. Staff Loans and Advances

The bank has been providing staff loans and advances as per the staff loan policy of the bank. The loans and advances are directly linked to the period of service of the permanent employees. Working advances are also advances to the staff after necessary approval. The detail of the same is as follows:

SN	Particulars	Amount
1	Staff Home Advances	130,950
2	Staff Salary & other Advances	88,514
Total		**219,464**

23. Interest Income

Entire Interest Receivable on Loans & Advances (except staff housing loan backed by insurance policy) has been transferred to Interest Suspense Account as per the NRB Directives. Interest Income due as of Ashadh end 2074 and collected within Shrawan 15, 2074 has been recognized as Interest Income as per NRB Directive no. 4/073.

The total interest collected within Shrawan 15, 2074 amounted to NPR 41,243,753 which is shown in Schedule 16.

The bank has recognized interest income on staff housing loan backed by insurance policy on accrual basis. The total income recognized as of Ashadh end 2074 is NPR 16,358 thousand.

24. Staff Housing Fund

As the Bank has been extending housing loans to the eligible staff as per the Bank's Staff Service By-Laws, a separate housing fund has not been created as prescribed by the Labor Act, 2048.

25. Provision For Staff Bonus

Provision for Staff Bonus has been provided at 10% of net profit after bonus before Income Tax as per Bonus Act, 2030.

26. Depreciation on Fixed Assets

Depreciation on Fixed Assets in Schedule 24 is the summation of Depreciation expenses amounting NPR 35,427 thousand and Leasehold amortization amounting NPR 18,868 thousand.

27. Operating Lease

The Bank has entered into a lease arrangement for office premises which can be terminated in mutual understanding between both the parties.

The details of Lease Payments recognized as expense in the period is as below:

NPR '000'

Particulars	Amount
Minimum Lease Payment	45,127
Sub-Lease Payment	26,063

Minimum lease Payment refers to the payment of rent directly to the land lord with whom the Bank has entered the lease agreement. Sub-Lease Payment refers to the payment of rent to the lessee of the building with whom the Bank has entered into sub-lease agreement.

28. Related Party Disclosures

Key Management Personnel include Chief Executive Officer and members of the Board of Directors of the Bank as follows:

Name of the Person	Designation
Er. Mr. Ichchha Raj Tamang	Chairman
Mr. Ambir Bogati	Director
Mr. Prakash Tayal	Director
Mr. Ghanendra Bdr Shrestha	Director
Mr. Sangam KC	Director
Mr. Govinda Gurung	Chief Executive Officer

Meeting Fees to Directors

NPR '000'

Particulars	Amount
Meeting Fees	1,828

Payment made to Executives:

NPR '000'

Particulars	Amount
Short term employee benefits	31,911
Post-Employment Benefits (PF)	1,997
Other Long term Benefits	-
Termination Benefits	-
Share based payments	-

Payment to Managerial Staff:

NPR '000'

Particulars	Amount
Short term employee benefits	50,335
Post-Employment Benefits (PF)	3,004
Other Long term Benefits	-
Termination Benefits	-
Share based payments	-

Related Party Balances

NPR '000'

Particulars	Amount
Deposit ((Shareholders)	320,601
Deposit (Civil Capital Markets Ltd.)	35,405
Deposit (Civil Laghubitta Bittiya Sanstha Ltd)	244

Related Party Expense

NPR '000'

Particulars	Amount
Registrar to Share Fees (Civil Capital Markets Ltd.)	1,199
Interest Expense (Civil Capital Market Ltd)	8,024
Interest Expense (Civil Laghubitta Bittiya Sanstha Ltd)	10

Related Party Income

NPR '000'

Particulars	Amount
Commission (Civil Capital Market Ltd)	287
Interest Income (Civil Laghubitta Bittiya Sanstha Ltd)	9,198

29. Provision For Loan Loss and Loss Provision Written Back

During the period NPR 549,910 thousand has been charged to Profit and Loss Account for Loan Loss Provision and NPR 448,647 thousand has been written back totaling of NPR 101,263 thousand as the net expense for the period as per NRB Directives.

The detail of additional loan loss provision is presented below:

NPR '000'

Particulars	Amount
Civil Bank Limited	476,907
International Leasing and Finance Co. Ltd	67,774
Unique Finance Limited	5,170
Hama Merchant and Finance Limited	60
Total	**549,910**

30. Bond Amortization:

During the Fiscal Year, NPR 2,758,497.97 has been charged to PL account as bond amortization expenses.

31. Borrowing By Bank Against The Collateral Of Own Assets

The Bank has been enjoying refinancing facility of NPR 3,500 thousand from Nepal Rastra Bank as of Ashadh End 2074.

32. Transaction in Bullions

As at balance sheet date, the Bank holds 4 Kilograms of gold in its custody as a consignee. At balance sheet date the fair market value of gold in the Bank's consignee is NPR 18,066 thousands based on the international market price and currency exchange rate.

33. Contingent Liability

Large Tax Payers' Office (LTPO) conducts its assessment of each year's tax filing within four years of the completion of income year (generally). Following its assessment, LTPO can issue its reassessment order revising tax liability of the Bank. However, the Bank may choose to contest against such decisions by applying for administrative review from Director General at Inland Revenue Department (IRD) level, case filing at Revenue Tribunal and case filing at Supreme Court.

Till the balance sheet date, the Bank's corporate tax liability up to income year 2067-68 has been cleared by the tax authority. Further, reassessment from LTPO has been completed for up to income year 2069/70. The Bank has contested against the upward revision in tax liability as issued by LTPO in their reassessment order. Total contested amount of NPR 72,257 thousands that include additional tax, interest surcharges and penalty has been recognized as Continent Liability and presented in Schedule 17 of Financial Statements.

The total contested amount is inclusive of former International Leasing & Finance Company which has been merged by the bank. The details of which is mentioned below:

NPR '000'

SN	Particulars	Amount
1	FY 2068-069 Disputed Income Tax	4,767
2	FY 2069-070 Disputed Income Tax	28,773
3	FY 2065-066 Disputed Income Tax former ILFCO	3,725
4	FY 2066-067 Disputed Income Tax former ILFCO	6,328
5	FY 2067-068 Disputed Income Tax former ILFCO	5,847
6	FY 2068-069 Disputed Income Tax former ILFCO	5,252
7	FY 2069-070 Disputed Income Tax former ILFCO	17,565
Total		**72,257**

34. Classification of Assets and Liability based on Maturity

NPR in Million

S.No.	Particulars	Remaining Terms to Maturity					
	Assets	**1-90 Days**	**91-180 Days**	**181-270 Days**	**271-365 Days**	**Over 1 Year**	**Total**
1	Cash Balance	842	-	-	-	-	842
2	Balance with Banks & FIs	3,621	-	-	-	-	3,621
3	Investment in Foreign Banks	681	-	103	505	-	1,290
4	Call Money	-	-	-	-	-	-
5	Government Securities	-	50	-	-	5,078	5,128
6	Nepal Rastra Bank Bonds	-	-	-	-	-	-
7	Inter Bank & FI Lending	-	-	-	-	-	-
8	Loans & Advances	6,437	3,549	3,931	4,413	11,189	29,519
9	Interest Receivable	481	-	43.04	1	-	526
10	Reverse Repo	-	-	-	-	-	-
11	Receivables from other Institutions under Commitment	-	-	-	-	-	-
12	Payment to be made for facilities under s.no 20,21 & 22	2,930	745	618	1,297	655	6,246
13	Others	266	260	5	5	719	1,216
	Total Assets (A)	**15,259**	**4,564**	**4,700**	**6,222**	**17,642**	**48,388**
	Liabilities						**-**
14	Current Deposits	574	359	287	144	72	1,435
15	Saving Deposits (including call deposits)	3,531	2,824	2,118	1,412	4,237	14,122
16	Fixed Deposits	5,242	4,545	2,305	4,669	1,792	18,553
17	Debentures	-	-	-	-	-	-
18	Borrowings:	400	-	2	2	-	404
	(a) Call/Short Notice	-	-	-	-	-	-
	(b) Inter-bank/Financial Institutions	400	-	-	-	-	400
	(c) Refinance	-	-	2	2	-	4
	(d) Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	328	1	0	1	51	381
	(a) Sundry Creditors	126	-	-	-	-	126
	(b) Bills Payable	23	-	-	-	-	23
	(c) Interest Payable	30	-	-	-	-	30
	(d) Provisions	-	-	-	-	17	17
	(e) Others	149	1	0	1	34	185
20	Payable to other Institutions Under Commitment	-	-	-	-	-	-
21	Unutilized Approved Facilities	231	198	192	229	0	850
22	Letter of Credit/Guarantee (Net of Margin)	2,699	547	426	1,069	655	5,396
23	Repo	-	-	-	-	-	-
24	Payment to be made for facilities under S.no 11	-	-	-	-	-	-
25	Others	-	-	-	-	-	-
	Total Liabilities (B)	**13,005**	**8,474**	**5,331**	**7,524**	**6,807**	**41,141**
	Net Financial Assets (A-B)	**2,254**	**(3,910)**	**(630)**	**(1,302)**	**10,835**	**7,246**
	Cumulative Net Financial Assets	**2,254**	**(1,656)**	**(2,286)**	**(3,588)**	**7,246**	**-**

35. Subsidiary Company

The bank purchased 51% of shares of Civil Capital Markets Ltd, a merchant banking company with authorized capital of NPR 200.00 million, Issued Capital of NPR 150.00 million and Paid Up Capital of NPR 105.00 million. With the holding of 51% of total paid up capital, it has been a subsidiary company of Civil Bank Limited. The scope of Civil Capital Markets Ltd. is Merchant Banking, Portfolio Management, Underwriting, Share Registrar, IPO and Right Share issue management. The company earned net profit of NPR 18,752,446 in FY 2073/074 and has proposed bonus share of 25% and cash dividend 1.25% of the paid-up capital.

Similarly, the bank is also holding 51% of Civil Laghubitta Bittiya Sanstha Limited, a microfinance company with authorized capital of NPR 200 Million, issued capital of NPR 105 Million and paid up capital of NPR 105 Million. With the holding of 51% of total paid up capital, it has been a subsidiary company of the bank. The company mainly deals with microfinance and lends money against group guarantee of the members of the institutions. The company earned net profit of NPR 6,213,169 in FY 2073/074 and has proposed bonus share of 4.5% & cash dividend of 0.23684% of the paid-up capital.

36. Dividend Payable

The undistributed dividend of Civil Bank Limited as on Ashadh end 2074 has been shown in Schedule 4.7. However, in case of merged institution Axis Development Bank, the dividends are being distributed through Registrar to Share (RTS) i.e. Civil Capital Markets Ltd. The undistributed dividend of the merged institution amounted to NPR 5,424,977.46 as on Ashadh end 2074 has not been included in the Balance Sheet.

37. Proposed Bonus Share and Cash Dividend

The Board of Directors has proposed 10.25% bonus share (NPR 744,079,312.08) and 0.54% cash dividend (NPR 39,162,069.06) for tax purpose on paid up capital of NPR 7,259,310,361.80 (after issuance of right share) for the financial year. The bonus share and cash dividend will be distributed on current paid up capital of the Bank i.e. NPR 7,259,310,361.80 upon the approval of the Bonus Share by the Annual General Meeting.

38. Grievances Handling

The Bank has established 'Notice and Grievances Handling Desk' and there is also provision in the bank's website to give feedback on Bank's services which is directly forwarded to the CEO as required by point number 11 of directive No 22 issued by Nepal Rastra Bank.

39. Events after the Reporting Period

As per NAS 10, "Events after the Reporting Period", Events after the Reporting Period are those events, favorable and unfavorable, that occurs between the Balance Sheet date and the date when the financial statements are authorized for issue and in case of adjusting events the amount is to be adjusted in the financial statements. The bank has received the loan amount from M/s Namaste Nepalese Air Pvt. Ltd; which was previously categorized as loss loan after the balance sheet date which is adjusting events and adjustment needs to be done in the current period financial statement. Further as per AGM Clearance & Dividend Approval Working Procedure 2072, point number 12, in case of adjustment of provision for loan loss, the loan has to be cleared by the cash inflows from the borrower. Accordingly, the bank has adjusted provision for loan loss amounting NPR 29,161 thousand of borrower namely M/s Namaste Nepalese Air Pvt. Ltd. (loan amount NPR. 29,455 thousand) and classified the loan in pass category since the loan amount has been cleared by the borrower which was previously classified as Loss loan.

40. Merger and Acquisition

Civil Bank has merged International Leasing and Finance Co. Ltd and the joint operation started from Kartik 1, 2073 (October 17, 2016). Civil Bank has acquired Unique Finance Limited and Hama Merchant and Finance Limited and joint operation has started from Ashadh 17, 2074 (July 1, 2017).

The Balance Sheet of the merged and acquired institutions as on their merger/acquisition date is as follows:

Capital & Liabilities	ILFCO	Unique	Hama
1. Share Capital	2,008,800,000	276,787,600	247,520,000
2. Reserves and Funds	226,624,901	50,623,237	66,914,752
3. Debentures & Bonds	-	-	-
4. Loans and Borrowings	-	-	-
5. Deposit Liabilities	1,139,400,592	579,267,284	109,418,858
6. Bills Payables	-	-	-
7. Proposed Cash Dividend	-	-	-
8. Income Tax Liability	-	-	-
9. Other Liabilities	72,546,875	14,082,919	4,355,786
Total Capital & Liabilities	**3,447,372,368**	**920,761,040**	**428,209,396**
Assets			
1. Cash Balance	5,825,875	2,907,202	782,615
2. Balance with Nepal Rastra Bank	45,938,585	298,953,469	5,922,999
3. Balance with Banks/Financial Institutions	849,669,065	2,201,918	165,033,785

4. Money at Call and Short Notice	-	-	-
5. Investments	1,543,339,800	54,466,925	18,951,467
6. Loans, Advances and Bills Purchased	865,503,563	558,900,462	219,989,007
7. Fixed Assets	24,460,190	750,931	7,122,452
8. Non-banking Assets	-	-	-
9. Other Assets	112,635,290	2,580,133	10,407,071
Total Assets	**3,447,372,368**	**920,761,040**	**428,209,396**

Similarly, Profit & Loss account of the merged entities are as follows:

Particulars	ILFCO	Unique	Hama
1. Interest Income	44,795,764	87,016,946	35,266,918
2. Interest Expenses	15,555,656	47,080,065	9,278,323
Net Interest Income	**29,240,108**	**39,936,882**	**25,988,595**
3. Commission and Discount	42,735	48,619	7,621
4. Other Operating Income	1,338,801	4,036,076	1,565,961
5. Exchange Fluctuation Income	-	-	-
Total Operating Income	**30,621,644**	**44,021,576**	**27,562,177**
6. Staff Expenses	15,138,996	13,569,822	5,204,891
7. Other Operating Expenses	16,747,805	9,523,247	9,281,654
8. Exchange Fluctuation Loss	-	-	-
Operating Profit/ (Loss) Before Provision for Possible loss	**(1,265,156)**	**20,928,507**	**13,075,632**
9. Provision for Possible Losses	8,242,572	4,860,476	26,697,443
Operating Profit/ (Loss)	**(9,507,728)**	**16,068,031**	**(13,621,811)**
10. Non - Operating Income/(Loss)	365,788	2,851,272	7,215,484
11. Provision for Possible Loss Written Back	739,652	-	15,460,803
Profit/ (Loss) from Ordinary Activities	**(8,402,288)**	**18,919,302**	**9,054,476**
12. Income/(Expense) from Extra-Ordinary Activities	(45,345,062)	-	30,131,000
Net Profit/ (Loss) after considering all activities	**(53,747,350)**	**18,919,302**	**39,185,476**

13. Provision for Staff Bonus	-	1,719,937	3,562,316
14. Provision for Income Tax	-	5,283,537	10,657,917
- Current Year's Tax Provision	-	5,283,537	4,556,584
- Up to Previous Year's Tax Provision	-	-	72,004
- Current Year's Deferred Tax (Income)/ Expense	172,375	-	6,029,329
Net Profit /(Loss)	**(53,574,975)**	**11,915,829**	**24,965,243**

41. Rounding Off

Figures have been rounded off to the nearest rupee.

Schedule 4.34:

Statement of Loans and Advances Extended to Promotor/ Group of promotors against Promoters shares

As at 31 Ashadh 2074 (15 July 2017)

S.No.	Promoter/ Group of Promoter shareholders name	Share owenership		Loan Details			Remarks
		No. of Shares	% of Paid Up Capital	Name of Bank/Fin. Instn	Loan amount	No. of shares	
1	Himalayan Bikram Malla Thakuri	232,234	0.45%	Nabil Bank Ltd	14,000,000	225,733	-
2	Bahadur Tamang	235,891	0.45%	NCC Bank Ltd	9,000,000	200,739	-
3	Ram Agrawal	41,152	0.08%	NCC Bank Ltd	2,540,000	40,000	-
4	Dhana Raj Acharya	100,415	0.19%	Sanima Bank Ltd	7,500,000	97,604	-
5	Jyoti Kumar Sarawagi	75,311	0.15%	Sanima Bank Ltd	4,826,784	73,203	-
6	Mahendra Kumar Goyal	75,311	0.15%	Sanima Bank Ltd	4,748,653	73,203	-
7	Jeewan Kumar Agrawal	29,377	0.06%	Sanima Bank Ltd	22,235,000	28,555	-
8	Ashok Kumar Baidya	29,377	0.06%	Sanima Bank Ltd	9,700,000	26,750	-
9	Ishwor Lal Shrestha	100,415	0.19%	Univest savings & Credit Co- Operative Ltd	7,000,000	97,604	-
10	Seema Marwadi	100,415	0.19%	Prabhu Bank Ltd	9,000,000	97,604	-
11	Anu Piya Shrestha	100,416	0.19%	Mahalaxmi Bikas Bank Ltd	5,800,000	97,500	-
12	Rishi Prasad Subedi	95,328	0.18%	Century Bank Ltd	58,257,327	86,800	-
13	Amit Agrawal	50,209	0.10%	Century Bank Ltd	7,500,000	48,803	-
14	Pradeep Jung Pandey	1,603,879	3.09%	Century Bank Ltd	99,500,000	779,000	-
15	Keshab Lal Shrestha	165,156	0.32%	Lumbini Bikas Bank Ltd	5,100,000	90,900	-
16	Kalu Gurung	49,203	0.09%	Lumbini Bikas Bank Ltd	3,023,440	47,826	-
17	Puna Prasad Subedi	67,317	0.13%	Global IME Bank Ltd	3,875,000	60,533	-
18	Kamal Kumar Begani	10,042	0.02%	Global IME Bank Ltd	11,600,000	9,761	-
19	Bishan Shakya	8,282	0.02%	ICFC Finance Ltd	984,000	8,000	-
20	Shakuntala Pokhrel Ghimire	2,486	0.00%	ICFC Finance Ltd	152,000	2,416	-
21	Subhash Kumar Khetan	10,041	0.02%	ICFC Finance Ltd	629,520	9,760	-
22	Amit Agrawal	25,104	0.05%	Bank of Kathmandu	97,210,130	24,401	-
23	Bimal Kumar Agrawal	25,104	0.05%	Siddhartha Bank Ltd	9,000,000	24,401	-
24	May Flower P. LTD	231,461	0.45%	Himalayan Bank Ltd	14,500,000	218,684	-
25	Girendra Man Singh Shrestha	123,512	0.24%	Janata Bank Nepal Ltd	2,000,000	35,000	-
26	Gokarna Khatiwada	2,510	0.00%	IME Co- Operative Ltd	20,000,000	2,440	-
27	Binaya Upadhyay	54,325	0.10%	Mahalaxmi Bikas Bank Ltd	10,000,000	52,804	-
28	Era Pradhan	232,916	0.45%	Jebils Finance Ltd	5,420,000	232,916	-
29	Tanuj Govinda Joshi	273,059	0.53%	Jebils Finance Ltd	5,900,000	273,059	-
30	Sunil Jakibanja	150,866	0.29%	Nepal Investment Bank Ltd	5,250,000	22,950	-
31	Jaya Mahashakti Trade Investment Co. Pvt Ltd	285,507	0.55%	Manjushree Financial Institution Ltd	4,870,783	285,507	-
	Total	**4,586,622**			**461,122,637**	**3,374,456**	**-**

Schedule 4.35

Comparision of Unaudited and Audited Financial Statements

As of F/Y - 2073/074 (2016/2017)

Rs in '000

S. No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance In Amount	Variance In %	Reasons for Variance
1	**Total Capital and Liabilities (1.1 to 1.8)**	**41,719,594**	**41,720,922**	**1,328**	**0.00%**	
	1.1 Paid Up Capital	5,185,222	5,929,301	744,079	14.35%	Due to Proposed Bonus Share
	1.2 Reserve and Surplus	1,493,548	732,468	(761,080)	-50.96%	Due to Change in Net Profit
	1.3 Debenture and Bonds	-	-	-	-	
	1.4 Borrowings	403,500	403,500	-	-	
	1.5 Deposits	34,110,741	34,235,243	124,502	0.00	Due to adjustment of Matured Fixed Deposit
	a. Domestic Currency	33,647,714	33,772,216	124,502	0.00	
	b. Foreign Currency	463,027	463,027	-	-	
	1.6 Income Tax Liability	-	-	-	-	
	1.7 Other Liabilities	526,583	358,457	(168,126)	-31.93%	Due to Other payable Adjustments.
2	**Total Assets (2.1 to 2.7)**	**41,719,594**	**41,720,922**	**1,328**	**0.00%**	
	2.1 Cash and Bank Balance	4,462,949	4,463,303	354	0.00	Due to interest income adjustment in bank balance
	2.2 Money at Call and Short Notice	-	-	-	-	
	2.3 Investments	6,583,464	6,584,133	669	0.00	Due to provision in investment wrtie back
	2.4 Net Loan and Advances	29,490,058	29,511,613	21,555	0.07%	Due to change in Loan Loss Provision
	a. Real Estate Loan	1,484,604	1,483,789	(815)	-0.05%	Due to change in Loan Loss Provision
-	1. Residential Real Estate Loan	410,522	409,707	(815)	-0.20%	Due to change in Loan Loss Provision
	2. Business Complex and Residential Apartment Construction Loan	143,698	143,698	-	0.00%	
	3. Income Generating Commercial Complex Loan	95,348	95,348	-	0.00%	
	4. Other Real Estate Loan (Including Land Purchase and Plotting)	835,036	835,036	-	0.00%	
	b. Home/Housing Loan	1,348,279	1,348,279	(0)	0.00%	
	c. Margin Type Lending	130,472	130,472	-	0.00%	
	d. Term Loan	9,007,374	9,034,576	27,202	0.30%	Due to change in Loan Loss Provision
	e. Overdraft Loan/TR Loan/WC Loan	14,280,877	14,277,509	(3,368)	-0.02%	Due to change in Loan Loss Provision
	f. Others	3,238,452	3,236,988	(1,464)	-0.05%	Due to change in Loan Loss Provision
	2.5 Fixed Assets	279,164	279,164	-	0.00%	
	2.6 Non Banking Assets	-	-	-	0.00%	
	2.7 Other Assets	903,958	882,708	(21,250)	-2.35%	Due to receivable adjustments

Rs in '000

3	Profit and Loss Account	As per Unaudited Financial Statement	As per Audited Financial Statement	In Amount	In %	Reasons for Variance
	3.1 Interest Income	3,207,706	3,207,703	(3)	(0.00)	Interest Income Adjustment
	3.2 Interest Expenses	2,084,866	2,084,866	-	-	
A.	**Net Interest Income (3.1-3.2)**	**1,122,840**	**1,122,838**	**(2)**	**(0.00)**	
	3.3 Fees, Commission and Discount	86,717	87,072	355	0.41%	Adjustment of Remittance & insurance agency Commission
	3.4 Other Operating Income	114,307	114,855	548	0.48%	Addition of Commissions adjustment
	3.5 Foreign Exchange Gain/Loss (Net)	99,107	99,107	-	-	
B.	**Total Operating Income (A + 3.3+3.4+3.5)**	**1,422,971**	**1,423,872**	**901**	**0.06%**	
	3.6 Staff Expenses	330,249	315,007	(15,242)	-4.62%	Adjustment of Staff Allowance Expenes, gratuity, leave encashment & reclassification of outsource staff & team bonding expenses
	3.7 Other Operating Expenses	306,244	322,544	16,300	5.32%	Adjustment of Swift, telephone, NEA expense reclassification of outsource staff & team bonding expenses
C.	**Operating Profit Before Provision (B - 3.6-3.7)**	**786,478**	**786,321**	**(157)**	**-0.02%**	
	3.8 Provision for Possible Losses	676,387	680,861	4,474	0.66%	Loan Loss Provision adjustment
D.	**Operating Profit/(Loss) (C - 3.8)**	**110,091**	**105,460**	**(4,631)**	**-4.21%**	
	3.9 Non Operating Income/Expenses (Net)	8,802	8,802	-	-	
	3.10 Write Back to Provision for Possible Loss	437,290	463,990	26,700	6.11%	Loan Loss Provision adjustment
E.	**Profit/(Loss) from Regular Activities (D + 3.9+3.10)**	**556,183**	**578,251**	**22,068**	**3.97%**	
	3.11 Extraordinary Income/Expenses	(99,071)	(99,071)	-	-	
F.	**Profit/(Loss)before Bonus and Taxes (E + 3.11)**	**457,112**	**479,181**	**22,068**	**4.83%**	
	3.12 Provision for Staff Bonus	41,556	43,562	2,006	4.83%	All of above Reasons
	3.13 Provision for Tax	77,442	87,339	9,897	12.78%	All of above Reasons & Deferred Tax Adjustment
G.	**Net Profit/Loss (F - 3.12-3.13)**	**338,114**	**348,280**	**10,166**	**3.01%**	**All of above Reasons**

Disclosure Under Basel II

Ashadh End 2074

1. Capital Structure and Capital Adequacy:

(A) Tier 1 Capital and Its Breakdown:

Amount '000s

Core Capital (Tier 1)	Amount in NPR
Paid up Equity Share Capital	5,185,222
Share Premium	-
Proposed Bonus Equity Shares	744,079
Statutory General Reserves	603,671
Retained Earnings	5,186
Current Year Profit/Loss	-
Capital Adjustment Reserves	35,537
Capital Redemption Reserves	-
Less: Deferred Tax Assets	22,342
Less: Investment in equity in licensed Financial Institutions	120,615
Total Core Capital	**6,430,738**

(B) Tier 2 Capital and Its Breakdown:

Amount '000s

Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	333,876
Exchange Equalization Reserve	13,075
Investment Adjustment Reserve	1,832
Total Supplementary Capital	**348,783**

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Ashadh End 2074.

(D) Deductions from Core Capital:

Amount '000s

Particulars	Amount in NPR
Deferred Tax Assets	22,342
Investment in equity in licensed Financial Institutions	120,615
Total Deduction	**142,957**

(E) Total Qualifying Capital:

Amount '000s

Particulars	Amount in NPR
Core Capital (Tier 1)	6,430,738
Supplementary Capital (Tier 2)	348,783
Total Qualifying Capital	**6,779,521**

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	17.85%
Capital Adequacy Ratio – Capital Fund	18.82%

(G) Summary of Bank's Internal approach to assess Capital Adequacy to support current and future activities:

The Bank has planned the business volume so as to maintain the Capital Adequacy Ratio (CAR) well above minimum required.

The Bank regularly assesses the Capital Adequacy Ratio as per the Internal Capital Adequacy Assessment Process (ICAAP) approved by the BOD. The Risk Management Committee, formed as per directives of Nepal Rastra Bank, also assesses the maximum risk appetite of the Bank to maintain adequate CAR.

2. Risk Exposures :

(A) Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk

Amount '000s

Risk Weighted Exposures	Current Year
Risk Weighted Exposure for Credit Risk	31,778,939
Risk Weighted Exposure for Operational Risk	2,013,994
Risk Weighted Exposure for Market Risk	47,946
Adjustments under Pillar II	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	9,949
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	816,580
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	1,353,635
Add : 3% of the Total RWE due to non-compliance to Disclosure (6.4 a 10)	
Add :....% of the total deposits due to insufficient Liquid Assets (6.4 a 6)	
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**36,021,043**

(B) Risk Weighted Exposure under each of 11 categories of Credit Risk

Amount '000s

Category of Credit Risk	Risk Exposure in NPR
Claims on Government and Central Bank	560,263
Claims on other Official Entities	-
Claims on Banks	632,996
Claims on Corporate and Securities Firms	16,626,379
Claims on Regulatory Retail Portfolio (Not Overdue)	5,441,571
Claims fulfilling all criterion of regulatory retail except granularity	-
Claims secured by Residential Properties	960,480
Claims secured by residential properties (Overdue)	5,193
Claims secured by Commercial Real Estate	493,330
Past Due Claims	1,427,766
High Risk Claims	1,571,510
Investments in equity and other capital instruments of institutions listed in stock exchange	91,588
Investments in equity and other capital instruments of institutions not listed in the stock exchange	112,305
Staff Loan Secured by Residential Property	78,570
Cash in transit and other cash items in the process of collection	-
Other Assets	965,556
Off Balance Sheet Items	2,811,430
Total Credit Risk Exposure	**31,778,939**

C) Total Risk Weighted Exposure Calculation Table:

Risk Exposure Calculation for Credit Risk

Amount '000s

A. Balance Sheet Exposures	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk Weight (e)	Risk Weighted Exposures (f=d*e)
Cash Balance	841,962	-	-	841,962	0%	-
Balance With Nepal Rastra Bank	3,004,167	-	-	3,004,167	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	5,128,045	-	-	5,128,045	0%	-
All Claims on Government of Nepal	16,738	-	-	16,738	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	560,263	-	-	560,263	100%	560,263
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	1,160,174	-	-	1,160,174	20%	232,035
Claims on domestic banks that do not meet capital adequacy requirements	2,788	2,788	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	601,011	-	-	601,011	20%	120,202
Claims on foreign bank (ECA Rating 2)	353,721	-	-	353,721	50%	176,861
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	519,492	-	-	519,492	20%	103,898
Claims on Domestic Corporates	16,650,772	5,575	18,819	16,626,379	100%	16,626,379
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	7,255,428	-	-	7,255,428	75%	5,441,571
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	1,600,800	-	-	1,600,800	60%	960,480
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	9,002	3,809	-	5,193	100%	5,193
Claims secured by Commercial real estate	493,330	-	-	493,330	100%	493,330
Past due claims (except for claims secured by residential properties)	1,977,070	1,025,226	-	951,844	150%	1,427,766
High Risk claims	1,391,080	1,105	342,301	1,047,673	150%	1,571,510
Investments in equity and other capital instruments of institutions listed in stock exchange	105,466	13,878	-	91,588	100%	91,588
Investments in equity and other capital instruments of institutions not listed in the stock exchange	75,170	300	-	74,870	150%	112,305
Staff loan secured by residential property	130,950	-	-	130,950	60%	78,570
Interest Receivable/claim on government securities	43,060	-	-	43,060	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	1,595,970	630,414	-	965,556	100%	965,556
TOTAL (A)	**43,516,462**	**1,683,095**	**361,120**	**41,472,247**		**28,967,509**

B. Off Balance Sheet Exposures	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk Weight (e)	Risk Weighted Exposures (f=d*e)
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	62,425	-	-	62,425	0%	-
Forward Exchange Contract Liabilities	56,156	-	-	56,156	10%	5,616
LC Commitments With Original Maturity Upto 6 months domestic counterparty	2,242,097	-	67,471	2,174,626	20%	434,925
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	324,161	-	7,062	317,100	50%	158,550
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,776,302	-	153,328	1,622,974	50%	811,487
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	164,044	-	82,022	82,022	50%	41,011
Foreign counterparty (ECA Rating 3-6)	327,644	-	-	327,644	100%	327,644
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-
Advance Payment Guarantee	451,770	-	57,196	394,574	100%	394,574
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	417,006	-	21,584	395,422	100%	395,422
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	849,652	-	-	849,652	20%	169,930
Irrevocable Credit commitments (long term)	27	-	-	27	50%	14
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	72,257	-	-	72,257	100%	72,257
Unpaid Guarantee Claims	-	-	-	-	200%	-
TOTAL (B)	**6,743,541**	**-**	**388,662**	**6,354,880**		**2,811,430**
Total RWE for credit Risk Before Adjustment (A) +(B)	**50,260,001**	**1,683,095**	**749,782**	**47,827,127**		**31,778,939**
Adjustments under Pillar II						
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-		-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-		-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	**50,260,001**	**1,683,095**	**749,782**	**47,827,146**		**31,778,939**

Risk Exposure Calculation for Operational Risk

Amount '000s

Particulars	Year 1	Year 2	Year 3
Net Interest Income	850,749	994,861	1,122,838
Commission and Discount Income	55,158	67,976	87,072
Other Operating Income	65,578	87,197	114,855
Exchange Fluctuation Income	72,233	89,962	99,107
Additional/Deduction in Interest Suspense during the period	85,298	25,816	209,289
Gross income (a)	**1,129,016**	**1,265,811**	**1,633,161**
Alfa (b)	**15%**	**15%**	**15%**
Fixed Percentage of Gross Income [c=(axb)]	**169,352**	**189,872**	**244,974**
Capital Requirement for operational risk (d) (average of c)			201,399
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10
Equivalent Risk Weight Exposure [f=(dxe)]			**2,013,994**

Risk Exposure Calculation for Market Risk

Amount '000s

Currency	Open Position (FCY)	Exchange Rate	Relevant Open Position
INR	55,592.16	1.60	88,989
USD	(2.90)	103.15	(299)
GBP	12.74	133.57	1,702
EUR	19.84	117.63	2,334
THB	0.60	3.09	2
CHF	3.49	106.97	374
AUD	3.65	80.45	294
CAD	10.45	81.10	847
SGD	0.01	75.07	0.38
JPY	696.30	0.91	636
HKD	1.58	13.09	21
DKK	-	15.84	-
BHD	-	273.79	-
SAR	7.66	27.00	207
QAR	0.05	28.21	1
AED	2.31	27.92	64
MYR	3.69	24.04	89
KRW	-	0.09	-
CNY	0.73	15.22	11
KWD	0.06	340.53	21
Total Open position (a)			**95,892**
Fixed Percentage (b)			**5.00%**
Capital Charge for Market Risk [c=(axb)]			**4,795**
Risk weight (reciprocal of capital requirement of 10%) in times (d)			**10.00**
Equivalent Risk Weight Exposure[e=(cxd)]			**47,946**

(D) Amount of NPAs (Both Gross and Net)

Amount '000s

Particulars	Amount in NPR
Gross NPA	1,222,641
Net NPA	188,084

(E) Classification of Loans:

Amount '000s

Particulars	Amount in NPR
Restructure Loan	-
Substandard Loan	188,150
Doubtful Loan	96,867
Loss Loan	937,623
Watch List Loan	932,252
Pass Loan	28,726,311

(F) NPA Ratios

Amount '000s

Particulars	Amount in NPR
Gross NPA	1,222,641
Total Loan and Advances	30,881,205
Gross NPA/Total Loan & Advances	3.96%
Net NPA	188,084
Net Loan and Advances	29,511,614
Net NPA/Net Loan & Advances	0.64%

(G) Movement of Non – Performing Assets

Amount '000s

Particulars	Last Year	This Year	% Change
Non-Performing Loans	1,190,748	1,222,641	2.68%

(H) Write off of Loans and Interest Suspense

Amount '000s

Particulars	This Year
Loan Write Off	120,945

(I) Movement in Loan Loss Provisions and Interest Suspense

Amount '000s

Particulars	Last Year	This Year	% Change
Loan Loss Provisions	1,043,492	1,369,591	31.25%
Interest Suspense	221,389	430,678	94.53%

(J) Details of Additional Loan Loss Provision

There is no Additional Loan Loss Provision.

(K) Segregation of Investments Portfolio into Held for Trading, Held to Maturity and Available for Sale Category

Amount '000s

Category	Amount in NPR
Held for Trading	-
Held to Maturity	6,417,675
Available for Sale	180,636
Total Investments	**6,598,311**

(3) Risk Management Function:

The Bank has constituted a Board level committee namely Risk Management Committee (RMC) in order to manage the overall risk arising during the process of day to day business activities. The committee has the responsibility of overseeing the level of risk of the Bank in respect of different areas like operations, credit, market, etc. The meeting of RMC is being held at least once a quarter as per the requirement. However, the frequency of the meeting has increased in line with the growth in businesses and risk arising thereby. Hence, for effective and efficient management of the risk, different units under Integrated Risk Management Department (IRMD) are functioning properly. The Department oversees the risk management at Macro Level, whereas the Bank's guidelines/ policies pertaining to the respective business areas always help managing the risk at various stages of the work flow.

(A) The Bank has adopted the following strategy for managing its risk exposure:

I. Credit Risk:

To manage the credit risk, the Bank has developed credit risk management framework, credit policy, valuation guidelines and specific product papers so that the risk would be filtered from the credit approving channels. Further, to oversee such risk Credit Risk Management Division (CRMD) is functioning under Integrated Risk Management Department. The division is responsible for identifying the underlying risk in credit areas. The CRMD reviews the files having group limit of more than NPR 50 million and below NPR 100 million on sample/post facto approval basis. Whereas, all files having exposure equivalent to or above NPR 100.00 million are reviewed wholly. Further, in line with the regulatory requirement as well as to have sound credit portfolio of the Bank and to use the capital optimally from credit perspective, the department shall analyze the portfolios in quarterly basis in the following manner:

1. Concentration Risk Review:

i. Group/Client Exposure (i.e. Single Obligor's Limit) to Total Loan Exposure Analysis.
ii. Sector-wise Exposure to Total Loan Exposure Analysis.
iii. Business Segment-wise (i.e. Corporate, SME, Consumer and Micro) Exposure to Total Loan Exposure Analysis.
iv. Product-wise (i.e. Home Loan, Education Loan, Mortgage Loan, etc.) Exposure to Total Exposure Analysis.
v. Tenure-wise (i.e. having tenure up to 1 year, above 1 year up to 5 years and above 5 years) Exposure to Total Exposure Analysis.

2. Industrial Risk Profile Review of particular Client/ Group, product and business segment.

3. Quality Check in terms of performance under each product, sector and business segment.

4. To check if the portfolios are within the benchmarks set by the Bank in terms of Credit Risk and by the regulatory body wherever applicable.

5. To review/analyze the overall risk assets portfolio vis a vis prudential banking norms and practices.

In addition to above, there is a separate Credit Control Department for controlling day to day business activities related to credit. The department ensures the credit worthiness from various facets (i.e. in terms of repaying capacity, project viability, collateral offered to the Bank & so forth).

II. Market Risk:

Market risk refers to the risk to a Bank resulting from movements in market prices, for example changes in interest rates, foreign exchange rates, and equity and commodity prices. Hence, to manage such type of risks arising during the day to day business activities the Integrated Market Risk Management Framework has been formulated by the Bank which, basically, looks into the following market risk areas.

a) Foreign Exchange Risk:

In order to manage the foreign exchange risk and protect the bank's financial position, the Bank has developed Foreign Exchange Risk management Policy. Treasury front office is the sole custodian of consolidated net open position of all the foreign currencies on which the Bank is allowed to deal in. Quoting of all spot/forward rates are done only by the treasury dealers. In order to manage the exchange risk, all the branches/ units dealing in foreign currency have to obtain quote from Treasury before they enter into buy/sell deals. This helps front office to monitor the net open position on real time basis which allows the dealer to take proper timely action on managing the open position risks.

b) Equity Price Risk:

It is risk to earning or capital that results from the adverse changes in the value of equity related portfolios of the Bank. Treasury Front Office monitors the fluctuation in market price of the stocks on daily basis. The investment/divestment decisions are taken based on the guidelines set in the investment policy of the Bank.

c) Commodity Risk:

As authorized by Nepal Rastra Bank, the Bank is dealing in Gold only as per the procedures prescribed by the NRB and the Bank's internal manual. As the Bank trade the gold on consign- ment basis, where the commodity is priced only after the trade is confirmed by both the counter party, the Bank is not exposed to price risk at any point of time.

d) Interest Rate Risk:

Interest rate risk is the risk of negative effects on the financial result and capital of the Bank caused by changes in interest rate. In order to manage the related risk, the treasury front office uses various tools and there is also Asset Liability Management Committee comprising of senior officials and executives of the Bank which review the Interest Rate Risk on regular basis among other functions.

Currently, the control reports related to market risk is reviewed by Head IRMD. For the Market Risk Management of the Bank, an independent Middle Office is in the process of establishment under IRMD so as to measure, monitor and analyze risk inherent in market risk/treasury operations of the Bank.

III. Operational Risk:

Operational Risk is the potential for loss resulting from inadequate or failed internal processes, people and systems or from the impact of external events, including legal risks. The Bank has developed Operational Risk Management Policy for managing overall operational risk and evaluating the adequacy of capital in respect of the same. The Operational Risk Management Division under IRMD oversees identification, assessment, monitoring and controlling/mitigating the operational risk. Further, for carrying out day to day operations and filter the undesirable risk from operations units there are different manuals developed as per the respective functions. In addition to this, there is also a separate Compliance Department and In-house Internal Audit Department of the Bank for overseeing the level of related risk.

Types of CRM used and benefits availed under CRM:

The CRMs used for computation of capital adequacy are Fixed Deposit Receipts and margin deposits. The mentioned CRMs have been netted off against the gross amounts of the following exposures:

Amount '000s

Claim Type	CRM	CRM Type
Claims on corporate and securities firms	18,819	Margin Deposit
High Risk Claim	342,301	Fixed Deposit/Gold
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	67,471	Margin Deposit
LC Commitments With Original Maturity Over 6 months domestic counterparty	7,062	Margin Deposit
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	153,328	Margin Deposit
Foreign counterparty (ECA Rating 2)	82,022	Foreign Bank Counter Guarantee
Advance Payment Guarantee	57,196	Margin Deposit
Acceptances and Endorsements	21,584	Margin Deposit

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BRS Neupane & Co.

Independent Auditors' Report
to
The Shareholders of Civil Bank Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Civil Bank Limited and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st Ashad 2074 (corresponding July 15, 2017), Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Significant Accounting Policies and Notes to Account.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Nepal Financial Reporting Standards (NFRS) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements. Management has prepared consolidated financial statements in accordance with the requirement as stipulated by Nepal Rastra Bank and not in accordance with Nepal Financial Reporting Standards (NFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The applicable Financial Reporting Framework (FRF) for the bank was changed to Nepal Financial Reporting Standards (NFRS) from Nepal Accounting Standard (previous local GAAP) with effective from fiscal year starting 17 July 2015. Change in Financial Reporting Framework require transition to Nepal Financial Reporting Standard as at 17 July 2014 and presentation of at least three statements of financial position, two consolidated statements of comprehensive income, two separate consolidated income statement, if presented, two consolidated statements of cash flow and two consolidated statements of changes in equity and related notes, including comprehensive information. However, the accompanying consolidated financial statements has not been prepared based on the transitional provision of Nepal Financial Reporting Standards (NFRS) which requires identification, restatements, presentations and disclosures of financial information based on the new accounting policy as per Nepal Financial Reporting Standards (NFRS).

Qualified Opinion

In our opinion, except for the possible effect of matter described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respect of the financial position of Civil Bank Limited and its subsidiaries as at 31st Ashad, 2074 and, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Report on the Requirement of the Companies Act 2063, Bank and Financial Institution Act 2073

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, the consolidated balance sheet, the consolidated profit and loss account and consolidated cash flow statement, prepared in the format prescribed by Nepal Rastra Bank, are in agreement with the books of accounts of the bank; and proper books of account as required by law have been kept by the bank. The bank has accounted for interest income from loans and advances on cash basis as per Nepal Rastra Bank's directives. The bank has recognized as accrued interest income on loans and advances till Ashad end 2074 recovered within 15th Shrawan 2074.

In our opinion, the returns from the branches are adequate for the purpose of the audit though the statements are independently not audited.

In our opinion, so far as appeared from our examination of the books, the bank has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.

To the best of our information and according to explanations given to us and from our examination of the books of accounts of the bank necessary for our audit purpose, we have not come across cases where board of directors or any employees of the bank have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the bank and violated any directives of Nepal Rastra Bank or acted in a manner to put at risk the interest and security of the bank, its depositors and investors.

Anup K. Shrestha

Date : 2075/02/21
Place : Kathmandu, Nepal

CA. Anup K. Shrestha
Managing Partner

BRS Neupane & Co.
Kathmandu
Nepal
Chartered Accountants

Consolidated Balance Sheet

As at 31 Ashadh 2074 (15 July 2017)

Capital & Liabilities	Current Year (Rs.)	Previous Year (Rs.)
1. Share Capital	5,929,300,999	3,214,792,881
2. Reserves and Funds	724,150,544	249,722,565
3. Non Controlling Interest	107,893,572	56,923,836
4. Debentures & Bonds	-	-
5. Loans and Borrowings	404,428,427	1,047,392
6. Deposit Liabilities	34,103,400,046	30,661,469,195
7. Bills Payables	22,791,621	4,639,369
8. Proposed Cash Dividend	39,410,753	23,527,033
9. Income Tax Liability	-	-
10. Other Liabilities	483,535,322	5,599,505,923
Total Capital & Liabilities	**41,814,911,284**	**39,811,628,194**

Assets	Current Year (Rs.)	Previous Year (Rs.)
1. Cash Balance	841,979,637	762,669,876
2. Balance with Nepal Rastra Bank	3,005,766,805	2,721,278,692
3. Balance with Banks/Financial Institutions	516,541,894	5,272,682,334
4. Money at Call and Short Notice	-	200,000,000
5. Investments	6,596,940,399	4,565,830,688
6. Loans, Advances and Bills Purchased	29,643,242,982	25,485,560,581
7. Fixed Assets	299,519,393	271,538,027
8. Non-banking Assets	-	-
9. Other Assets	910,920,174	532,067,996
Total Assets	**41,814,911,284**	**39,811,628,194**

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

Sangam K.C.
Director

Ghanendra Bdr. Shrestha
Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Consolidated Profit and Loss Account

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Interest Income	4.18	3,271,943,433	2,430,165,706
2. Interest Expenses	4.19	2,084,301,113	1,410,290,699
Net Interest Income		**1,187,642,320**	**1,019,875,007**
3. Commission and Discount	4.20	92,769,101	74,954,685
4. Other Operating Income	4.21	140,517,755	93,945,225
5. Exchange Fluctuation Income	4.22	99,107,064	89,962,356
Total Operating Income		**1,520,036,239**	**1,278,737,273**
6. Staff Expenses	4.23	342,073,052	254,389,171
7. Other Operating Expenses	4.24	347,924,493	278,364,470
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit/ (Loss) Before Provision for Possible loss		**830,038,694**	**745,983,632**
9. Provision for Possible Losses	4.25	685,924,587	692,404,292
Operating Profit/ (Loss)		**144,114,107**	**53,579,341**
10. Non - Operating Income/(Loss)	4.26	8,058,409	551,262
11. Provision for Possible Loss Written Back	4.27	463,990,143	280,653,368
Profit/ (Loss) from Ordinary Activities		**616,162,659**	**334,783,970**
12. Income/(Expense) from Extra-Ordinary Activities	4.28	(99,070,797)	(16,430,130)
Net Profit/ (Loss) after considering all activities		**517,091,862**	**318,353,840**
13. Provision for Staff Bonus		47,008,351	28,941,258
14. Provision for Income Tax		96,838,326	85,466,468
- Current Year's Tax Provision		106,606,616	92,823,086
- Upto Previous Year's Tax Provision		-	96,124
- Current Year's Deferred Tax (Income)/Expense		(9,768,290)	(7,452,741)
15. Share of Non-Controlling Interest in the Profit of Subsidiary		12,233,152	5,005,839
Net Profit /(Loss)		**361,012,033**	**198,940,274**

Sachin Newa
Head - Finance

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Officiating Chief Executive Officer

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Director

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Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Consolidated Profit and Loss Appropriation Account

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Income:		
1. Accumulated Profit up to Previous Year	(1,585,455)	4,148,444
2. Transfer from Civil Laghu	269,376	-
3. Current Year's Profit	361,012,032	199,438,250
4. Loss of Former International Leasing & Finance Limited	(26,516,405)	-
5. Profit of Former Unique Finance Limited	10,177,220	-
6. Profit of Former Hama Merchant & Finance Limited	25,849,923	-
7. Capital Adjustment Fund	7,214,979	-
8. Transferred from Capital Reserve	562,980,263	-
9. Transfer from investment Adjustment Reserve	3,224,007	5,420,000
10. Transfer from Share Premium	4,666,891	-
11. Transfer from Deferred Tax Reserve	11,650,440	
Total	**958,943,271**	**209,006,694**
Expenses:	**-**	**-**
1. Accumulated Loss up to Previous Year	-	-
2. Current Year's Loss	-	-
3. General Reserve Fund	70,289,657	38,746,024
4. Contingent Reserve	-	-
5. Institution Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees' Related Fund	-	-
8. Proposed Cash Dividend	47,990,773	15,403,349
9. Proposed Issue of Bonus Share	746,489,062.08	132,013,625
10. Special Reserve Fund	-	-
11. Exchange Fluctuation Fund	3,105,363	692,907
12. Capital Redemption Reserve	-	-
13. Capital Adjustment Fund	12,998,634	22,286,015
14. Deferred Tax Reserve	-	-
15. Investment Adjustment Fund	71,446,762	1,450,228
16. Corporate Social Responsibiliy Fund	3,514,483	-
17. Staff Capacity Development Fund	182,417	-
18. Customer Protection Fund	31,687	-
Total	**956,048,838**	**210,592,148**
16. Accumulated Profit/ (Loss)	2,894,433	(1,585,454)

Sachin Newa
Head - Finance

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Ambir Bogati
Director

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Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Consolidated Cash Flow Statement

For the period from 1 Shrawan 2073 to 31 Ashadh 2074 (16 July 2016 to 15 July 2017)

Particulars	Current Year Rs.	Previous Year Rs.
(A) Cash Flow from Operating Activities	**(7,992,806,261)**	**585,250,433**
1. Cash Receipts	**3,578,120,951**	**2,660,686,802**
1.1 Interest Income	3,236,137,292	2,402,199,671
1.2 Commission and Discount Income	92,906,342	74,954,685
1.3 Income from Foreign Exchange Transaction	86,685,613	87,190,730
1.4 Recovery of Written off Loan	18,284,500	-
1.5 Other Income	144,107,204	96,341,716
2. Cash Payments	**(2,864,159,538)**	**(2,075,436,369)**
2.1 Interest Expenses	(2,053,214,806)	(1,410,907,186)
2.2 Staff Expenses	(361,203,383)	(277,246,027)
2.3 Office Operation Expenses	(286,022,743)	(226,298,363)
2.4 Payment of Income Tax	(163,182,509)	(160,984,794)
2.5 Other Expenses	(536,097)	-
Cash Flow Before Changes in Working Capital	**713,961,413**	**3,262,231,478**
Decrease/(Increase) in Current Asset from Operating Activities	**(6,303,191,175)**	**(3,885,629,512)**
1. Decrease/(Increase) in Money at Call and Short Notice	200,000,000	45,000,000
2. Decrease/(Increase) in Other Short Term Investments	(1,912,566,813)	(657,243,419)
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(4,316,584,721)	(3,363,472,513)
4. Decrease/(Increase) in Other Assets	(274,039,641)	90,086,421
Increase/(Decrease) in Current Liabilities from Operating Activities	**(2,403,576,499)**	**7,147,860,990**
1. Increase /(Decrease) in Deposit Liabilities	2,485,827,870	4,005,044,449
2. Increase /(Decrease) in Certificate of Deposits	-	-
3. Increase /(Decrease) in Short Term Borrowings	328,248,229	(10,484,863)
4. Increase /(Decrease) in Other Liabilities	(5,217,652,598)	3,153,301,404
(B) Cash Flow from Investing Activities	**(183,042,854)**	**(93,141,770)**
1. Decrease/(Increase) in Long Term Investments	(125,644,924)	(40,882,580)
2. Decrease/(Increase) in Fixed Assets	(79,840,416)	(52,597,811)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	8,769,551	338,621
5. Others	13,672,935	-
(C) Cash Flow from Financing Activities	**2,852,347,286**	**(34,946,186)**
1. Increase /(Decrease) in Long Term Borrowings (Bond, Debentures)	(193,817)	1,047,392.10
2. Increase /(Decrease) in Paid up Share Capital	1,970,428,806	-
3. Increase /(Decrease) in Other Liabilities	878,612,297	(35,993,578)
4. Increase/(Decrease) in Refinance/Facilities received from Nepal Rastra Bank	3,500,000	-
(D) Income/(Expense) from exchange rate change of Cash and Bank Balances	**12,421,451**	**2,771,626**
(E) Net Cash Flow from all activities of the Current Year	**(5,311,080,378)**	**3,722,165,582**
(F) Opening Cash and Bank Balances	9,675,368,714	5,034,465,321
(G) Closing Cash and Bank Balances	**4,364,288,336**	**8,756,630,902**

Sachin Newa
Head - Finance

Sujit Kumar Shakya
Officiating Chief Executive Officer

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Director

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Director

Prakash Tayal
Director

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

As per our attached report of even date

CA Anup Kumar Shrestha
Partner
BRS Neupane & Co.
Chartered Accountants

Date: 2075/02/21
Place: Kathmandu

Consolidated Statement of Changes in Equity

Financial Year 2073/074 (As of Ashadh End 2074)

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve	Capital Reserve Fund	Capital Adjustment Fund	Proposed Bonus Share	Share Premium	Exchange Fluctuation Fund	Staff Capacity Development Fund	Corporate Social Responsibility Fund	Deferred Tax Reserve	Other Reserves & Fund	Total Attributable to Equity Holders	Non Controlling Interest	Total Amount
Opening Balance	**3,214,792,881**	**(1,585,455)**	**216,297,280**	**301,469**	**29,753,179**	**-**	1,077,222	**9,969,253**	**-**	**-**	**-**	**1,530,228**	**3,472,136,058**	**-**	**3,472,136,058**
Adjusted opening Balance	**3,214,792,881**	**(1,585,455)**	**216,947,017**	**301,469**	**29,753,179**	**-**	1,077,222	**9,969,253**	**-**	**-**	**13,626**	**1,548,861**	**3,472,818,054**	**-**	**3,472,818,054**
Transfer from Former International Leasing & Finance Co. Ltd	1,501,027,166	(26,516,404)	246,018,515	507,772,834	-	-	3,589,669	-	-	-	2,507,329	1,025,792	2,235,424,901	-	2,235,424,901
Transfer From Former Unique Finance Ltd	249,108,840	10,177,220	40,446,017	27,678,760	-	-	-	-	-	-	-	-	327,410,837	-	327,410,837
Transfer From Former Hama Merchant & Finance Ltd	220,292,800	25,849,923	31,253,731	27,227,200	-	-	-	-	-	-	9,143,111	667,987	314,434,752	-	314,434,752
Transfer from Capital Reserve	-	562,980,263	-	(562,980,263)	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Premium	-	4,666,891	-	-	-	-	(4,666,891)	-	-	-	-	-	-	-	-
Transfer from Capital Adjustment Fund	-	7,214,979	-	-	(7,214,979)	-	-	-	-	-	-	-	-	-	-
Transfer From Investment Adjustment Reserve	-	3,224,007	-	-	-	-	-	-	-	-	-	(3,224,007)	-	-	-
Transfer from Civil Laghubitta	-	269,376	-	-	-	-	-	-	-	-	-	-	269,376	-	269,376
Deferred Tax Reserve	-	11,650,440	-	-	-	-	-	-	-	-	(11,650,440)	-	-	-	-
Net profit/ (Loss) for the year	-	361,012,032	-	-	-	-	-	-	-	-	-	-	361,012,032	-	361,012,032
Transfer to General Reserve	-	(70,289,657)	70,289,657	-	-	-	-	-	-	-	-	-	-	-	-
Capital Adjustment Fund	-	(12,998,634)	-	-	12,998,634	-	-	-	-	-	-	-	-	-	-
Investment Adjustment Fund	-	(71,446,762)	-	-	-	-	-	-	-	-	-	71,446,762	-	-	-
Proposed Cash Dividend	-	(47,990,773)	-	-	-	-	-	-	-	-	-	-	47,990,773	-	(47,990,773)
Proposed Issue of Bonus Share	-	(746,489,062)	-	-	-	744,079,312	-	-	-	-	-	-	(2,409,750)	-	(2,409,750)
Exchange Fluctuation Fund	-	(3,105,364)	-	-	-	-	-	3,105,364	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Right Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Protection Fund	-	(31,687)	-	-	-	-	-	-	-	-	-	31,687	-	-	-
Staff Capacity Development Fund	-	(182,417)	-	-	-	-	-	-	182,417	-		-	-	-	-
Corporate Social Responsibility Fund	-	(3,514,483)	-	-	-	-	-	-	-	3,514,483	-		-	-	-
Capital Reserve/(Goodwill) on acquisition of Subsidiary	-	-	-	(7,517,887)	-	-	-	-	-	-	-	-	(7,517,887)	-	(7,517,887)
Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	107,893,572	107,893,572
Closing Balance as at 31 Ashadh 2074	**5,185,221,687**	**2,894,432**	**604,954,938**	**(7,517,887)**	**35,536,834**	**744,079,312**	**-**	**13,074,617**	**182,417**	**3,514,483**	**13,626**	**71,497,083**	**6,653,451,543**	**107,893,572**	**6,761,345,115**

Consolidated Significant Accounting Policies and Notes to Accounts

Accounting Policies

GENERAL INFORMATION

Reporting Entity

Civil Bank Limited ("The Bank") is a public limited company established in Nepal with its registered office at Teen Dhara Road. The Bank is licensed by Nepal Rastra Bank (NRB) to carry out commercial banking activities in Nepal as a Class "A" licensed institution under BAFIA Amendment Integration Act, 2073. The Bank commenced operation on November 26, 2010 (Mangsir 10, 2067).

Consolidated Financial Statement

The consolidated financial statement of the bank as of 15 July 2017 comprises of the bank and its subsidiaries Civil Capital Markets Limited and Civil Laghubitta Bittiya Sanstha Limited (former ILFCO Microfinance Bittiya Sanstha Limited). The financial year of the subsidiaries is common to that of the parent company. The Civil Capital Markets Limited is merchant banking company licensed by SEBON whereas Civil Laghubitta Bittiya Sanstha Limited is primarily engaged in micro finance activities, according to which group members are provided credit without any collateral.

Statement of Compliance

The consolidated financial statements of the group and separate financial statements of its bank have been prepared in accordance with Nepal Accounting Standards (NAS) issued by the Nepal Accounting Standard Board, except otherwise stated. Generally Accepted Accounting Principles (GAAP), BAFIA Amendment Integration Act 2073, presentation and other requirements of NRB directives and in conformity with Companies Act.

Basis of Consolidation

The group's financial statements comprise of consolidation of financial statements of the Civil Bank Limited and its subsidiaries Civil Capital Markets Limited and Civil Laghubitta Bittiya Sanstha Limited (former ILFCO Microfinance Bittiya Sanstha Limited). A subsidiary is an entity that is controlled by another entity (known as the parent). Control exists when the bank has the power, directly or indirectly to govern the financial and operating policies of the enterprise from the date control commences until the date control ceases.

In case of the Bank and subsidiary's investor-investee relationship, power over the Subsidiary exists from the voting rights granted by the equity share. The Bank holds 51% of controlling interest in the Subsidiary. The Subsidiary's capital composes only of equity instruments and the Bank's returns from the involvement in equity instruments have the potential to vary with the performance of the Subsidiary. The Bank has thus exposure, or rights, to variable returns from its involvement with the Subsidiary.

The consolidated financial statements have been prepared in accordance with the International Accounting Standards 27 "Consolidated and Separate Financial Statement". In preparing the consolidated financial statements, the financial statements are combined line by line by adding the like items of assets, liabilities, equity, income and expenses.

Transaction eliminated on consolidation

All intra group transaction and balances, income and expenses and any unrealized gains/losses arising from such intra-company transactions and balances are eliminated in full while preparing the consolidated financial statements.

Previous Year's Figures

Previous year's figures are grouped or regrouped wherever necessary in order to facilitate comparison.

Notes to Accounts

1) The net profit of the parent and subsidiary for the year is as under:

Particulars	Amount (NRs.)
Civil Bank Limited	348,279,568
Civil Capital Markets Limited	18,752,446
Civil Laghubitta Bittiya Sanstha Limited	6,213,169
Net Profit of the Group	**373,245,183**

2) The deferred tax expenses/(income) of the Group is as under:

Particulars	Amount (NRs.)
Civil Bank Limited	(9,652,427)
Civil Capital Markets Limited	(72,245)
Civil Laghubitta Bittiya Sanstha Limited	(43,618)
Total Deferred Expense/(Income)	**(9,768,290)**

3) Related Party Disclosure

a) Civil Capital Markets Limited and Civil Laghubitta Bittiya Sanstha Limited held deposits of NRs. 35,405 thousand and 244 thousand respectively in various accounts of the Bank as at Ashadh End 2074. The Bank has paid interest of 8,024 thousand and 10 thousand respectively to each subsidiary as interest.

b) Civil Laghubitta Bittiya Sanstha Limited has availed NRs. 199,156 thousand as Loans from the Bank as on Ashadh End 2074. The Bank has received NRs. 9,198 thousand as interest income from the loans and advances.

c) The Bank has appointed Civil Capital Markets Ltd, as its Share Registrar for which the Bank has paid a fee of NPR 1,199 thousand. The Bank has also paid commission of NRs. 287 thousand.

d) All transactions between the Bank and its subsidiaries are on arm's length basis.

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं।
फोन नं. ४४१९८०४-७
फ्याक्स नं. ४४१०१५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स ७३

नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग

पत्रसंख्या:- बै.सु.वि./अफसाइट/एजिएम/२५ २०७४-७५ मिति २०७५ ०३ ०५

सिभिल बैंक लिमिटेड,
कमलादी, काठमाडौं।

विषय: लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु पालना गरेको देखिएको हुँदा, ऐ. ऐनको उपदफा (१) बमोजिम प्रस्तावित रु ७४,४०,७९,३१२।०८/- बराबरको बोनस शेयर र रु ३,९१,६२,०६९।०६/- बराबरको नगद लाभांश अन्य प्रचलित कानुनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको,अवस्थामा मात्र वितरण गर्न स्वीकृतिका साथै आ.व. २०७३ ७४ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१ यस बैंकबाट जारी गरिएको निर्देशन नं १० को बुँदा नं ७ बमोजिम इजाजतपत्र प्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पूँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरुमा चुक्ता पूँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुलाई सो सीमा भित्र नल्याएसम्म प्रस्तावित बोनश शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन।

२ लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्ण रुपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुन: दोहोरिन नदिने व्यवस्था मिलाउनु हुन।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय,

Tripathi 2075/3/5

सत्येन्द्र मणि त्रिपाठी
सहायक निर्देशक

बोधार्थ :
१. नेपाल राष्ट्र बैंक
बैंक तथा वित्तीय संस्था नियमन विभाग।
२ बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाइ, सिभिल बैंक लिमिटेड।

वार्षिक वित्तीय विवरण प्रकाशनको स्वीकृति प्रदान गर्ने क्रममा नेपाल राष्ट्र बैंकबाट स्वीकृति पत्रमा उल्लेखित निर्देशनहरुको कार्यन्वयन सम्बन्धमा बैंकको प्रतिक्रिया :

१. निर्देशन अनुसार गरिनेछ ।
२. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरुमा क्रमशः सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाइनेछ ।

टिपोट

टिपोट

सिभिल बैंक लिमिटेड
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